

**MAIL TO:**

STATE OF UTAH  
 DIVISION OF PURCHASING  
 3150 STATE OFFICE BUILDING, CAPITOL HILL  
 P.O. BOX 141061  
 SALT LAKE CITY, UTAH 84114-1061  
 TELEPHONE (801) 538-3026  
<http://www.purchasing.state.ut.us>

**Request for Proposal**Solicitation Number: **RM3903**Due Date: **01/21/03 at 3:00 P.M.**

Date Sent: December 3, 2002

Goods and services to be  
 purchased:

**STATEWIDE CONTRACT FOR COLLECTION SERVICES****Please complete**

Company Name		Federal Tax Identification Number	
Ordering Address	City	State	Zip Code
Remittance Address (if different from ordering address)	City	State	Zip Code
Type <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Proprietorship <input type="checkbox"/> Government		Company Contact Person	
Telephone Number (include area code)	Fax Number (include area code)	Email Address	
Discount Terms (for bid purposes, bid discounts less than 30 days will not be considered)		Days Required for Delivery After Receipt of Order (see attached for any required minimums)	
Brand/Trade Name		Price Guarantee Period (see attached specifications for any required minimums)	
Minimum Order		Company's Internet Web Address	
The following documents are included in this solicitation: Solicitation forms, instructions and general provisions, and specifications. <u>Please review all documents carefully before completing.</u>			
The undersigned certifies that the goods or services offered are produced, mined, grown, manufactured, or performed in Utah. Yes_____ No_____. If no, enter where produced, etc._____			
Offeror's Authorized Representative's Signature		Print or type name and title	Date

**STATE OF UTAH  
DIVISION OF PURCHASING**

**Request for Proposal**

**Solicitation Number: RM3903**

**Due Date: 01/21/03**

**Vendor Name:**

State of Utah Division of Purchasing Approval	Date	Contract Number
Douglas G. Richins, Director		

**STATEWIDE CONTRACT FOR COLLECTION SERVICES PER ATTACHED SPECIFICATIONS.**

**QUESTIONS ON SPECIFICATIONS AND PURCHASING PROCESS CALL ROSELLE MILLER AT (801) 538-3232.**

## REQUEST FOR PROPOSAL - INSTRUCTIONS AND GENERAL PROVISIONS

**1. PROPOSAL PREPARATION:** (a) All prices and notations must be in ink or typewritten. (b) Price each item separately. Unit price shall be shown and a total price shall be entered for each item bid. (c) Unit price will govern, if there is an error in the extension. (d) Delivery of services as proposed is critical and must be adhered to. (e) Incomplete proposals may be rejected. (f) This proposal may not be withdrawn for a period of 60 days from the due date. (g) Where applicable, all proposals must include complete manufacturer's descriptive literature. (h) By signing the proposal the offeror certifies that all of the information provided is accurate, that they are willing and able to furnish the item(s) specified, and that prices offered are correct.

**2. SUBMITTING THE PROPOSAL:** (a) The proposal must be signed in ink, sealed, and if mailed, mailed in a properly-addressed envelope to the DIVISION OF PURCHASING, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114-1061. **The "Solicitation Number" and "Due Date" must appear on the outside of the envelope.** (b) Proposals, modifications, or corrections received after the closing time on the "Due Date" will be considered late and handled in accordance with the Utah Procurement Rules, section 3-209. (c) **Your proposal will be considered only if it is submitted on the forms provided by the state. Facsimile transmission of proposals to DIVISION will not be considered.** (d) All prices quoted must be both F.O.B. Origin per paragraph 1.(c) and F.O.B. Destination. Additional charges including but not limited to delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, costs of bonds, or for any other purpose must be included in the proposal for consideration and approval by the Division of Purchasing & General Services (DIVISION). Upon award of the contract, the shipping terms will be F.O.B. Destination, Freight Prepaid with freight charges to be added to the invoice unless otherwise specified by the DIVISION. No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, costs of bonds, or for any other purpose will be paid by the state unless specifically included in the proposal and accepted by DIVISION. (e) By signing the proposal the offeror certifies that all of the information provided is accurate and that he/she offers to furnish materials/services for purchase in strict accordance with the requirements of this proposal including all terms and conditions.

**3. BONDS:** The state has the right to require a bid or proposal bond, payment bond and/or a faithful performance bond from the offeror in an amount not to exceed the amount of the contract.

**4. PROPRIETARY INFORMATION:** Suppliers are required to mark any specific information contained in their bid which is not to be disclosed to the public or used for purposes other than the evaluation of the bid. Each request for non-disclosure must be accompanied by a specific justification explaining why the information is to be protected. Pricing and service elements of any proposal will not be considered proprietary. All material becomes the property of the state and may be returned only at the state's option. Proposals submitted may be reviewed and evaluated by any persons at the discretion of the state.

**5. BEST AND FINAL OFFERS:** Discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of assuring full understanding of, and responsiveness to, solicitation requirements. Prior to award, these offerors may be asked to submit best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by a competing offeror.

**6. SAMPLES:** Samples, brochures, etc., when required, must be furnished free of expense to the state and if not destroyed by tests may, upon request

made at the time the sample is furnished, be returned at the offeror's expense.

**7. DIVISION APPROVAL:** Contracts written with the State of Utah, as a result of this proposal, will not be legally binding without the written approval of the Director of the DIVISION.

**8. AWARD OF CONTRACT:** (a) The contract will be awarded with reasonable promptness, by written notice, to the lowest responsible offeror whose proposal is determined to be the most advantageous to the state, taking into consideration price and evaluation factors set forth in the RFP. No other factors or criteria will be used in the evaluation. The contract file shall contain the basis on which the award is made. Refer to Utah Code Annotated 65-56-21. (b) The DIVISION can reject any and all proposals. And it can waive any informality, or technicality in any proposal received, if the DIVISION believes it would serve the best interests of the state. (c) Before, or after, the award of a contract the DIVISION has the right to inspect the offeror's premises and all business records to determine the offeror's ability to meet contract requirements. (d) The DIVISION will open proposals publicly, identifying only the names of the offerors. Proposals and modifications shall be time stamped upon receipt and held in a secure place until the due date. After the due date, a **register** of proposals shall be established. The **register** shall be open to public inspection, but the proposals will be seen only by authorized DIVISION staff and those selected by DIVISION to evaluate the proposals. The proposal(s) of the successful offeror(s) shall be open for public inspection for 90 days after the award of the contract(s). (e) Utah has a reciprocal preference law which will be applied against bidders bidding products or services produced in states which discriminate against Utah products. For details see Section 63-56 20.5 -20.6, Utah Code Annotated.

**9. ANTI-DISCRIMINATION ACT:** The offeror agrees to abide by the provisions of the Utah Anti-discrimination Act, Title 34 Chapter 35, U.C.A. 1953, as amended, and Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973 or the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities. Also offeror agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the workplace. Vendor must include this provision in every subcontract or purchase order relating to purchases by the State of Utah to insure that the subcontractors and vendors are bound by this provision.

**10. WARRANTY:** The contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah applies to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the State has relied on the contractor's skill or judgement to consider when it advised the State about

the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the State has not been warned. Remedies available to the State include the following: The contractor will repair or replace (at no charge to the State) the product whose nonconformance is discovered and made known to the contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

11. **DEBARMENT:** The CONTRACTOR certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the CONTRACTOR cannot certify this statement, attach a written explanation for review by the STATE.

12. **GOVERNING LAWS AND REGULATIONS:** All State purchases are subject to the Utah Procurement Code, Title 63, Chapter 56 Utah Code Annotated 1953, as amended, and the Procurement Rules as adopted by the Utah State Procurement Policy Board (Utah Administrative Code Section R33). These are available on the Internet at [www.purchasing.state.ut.us](http://www.purchasing.state.ut.us).

(Revision 2/14/2000 - RFP.Instructions)

*Request for Proposal*

**STATEWIDE CONTRACT  
FOR  
COLLECTION SERVICES**

***RM3903***

State of Utah  
Division of Purchasing and General Services  
3150 State Office Building  
PO Box 141061  
Salt Lake City UT 84114-1061

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## DEFINITIONS

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As used in this Request for Proposal (RFP), the terms listed below mean as follows, except where the context dictates otherwise.

<u>Term</u>	<u>Definition</u>
Agency/Agencies	State agencies and political subdivisions.
Attachable Asset	Real, personal, tangible and intangible property of all kinds and descriptions in which a delinquent debtor has a legal or equitable interest.
ACH	Automated Clearing House.
Business Proposal	Respondent's response to RFP questions and requirements, business plan and program implementation.
CA	Contract Administrator. The liaison between OSDC, Agency and the Contractor. The Contract Administrator will act as the primary point of contact with the Contractor.
Contract	Any agreement resulting from this RFP.
Contractor	The successful respondent.
Cost Proposal	Respondent's proposed costs to the state for services provided in the respondent's proposal.
Courts	Courts of Utah's eight (8) judicial districts.
Debtor	A legally responsible individual or entity who owes a sum certain to an Agency. Debtor includes Non-Custodial Parents and Non-Filers.
Dishonored check	A check that is returned to the payee by a banking institution for non-sufficient funds, closed receivables, signature discrepancies, etc.
Non-Custodial Parent	A person on whom a child support obligation has been established, or for whom an employer has not been identified or located, or who may have a legal or equitable interest in an Attachable Asset.
Non-Filer	A legally responsible individual or entity that has not filed and has a requirement to file.
ORS	Office of Recovery Services. ORS administers the Child Support Enforcement program, establishment and collection of support for children in the care or custody of the State and for third party liability collections in behalf of Medicaid.
OSDC	Office of State Debt Collection. OSDC is a State of Utah agency with oversight of statewide receivable and collection efforts.
Outsource/Outsourcing	The referral of delinquent receivables to a private collection company for specific collection



## DEFINITIONS

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	activities after the Agency has exhausted its collection remedies.
Respondent	Organization, group, firm, individual, etc., that submits a response (proposal) to this RFP.
SLA	Service Level Agreement. A binding agreement between the Agency and the Contractor that provides Agency specific detail not covered in the basic contract.
State	State of Utah.
USTC	Utah State Tax Commission. Constitutionally the revenue collection agency for tax debt for the State of Utah.

## **1.0 REQUEST FOR PROPOSAL**

### **1.1 PURPOSE**

The purpose of this Request for Proposal (RFP) is to enter into one or more renewable contracts with a qualified respondent to collect debt for the State. This request is on behalf of the State for State agencies and all other governmental entities and political subdivisions, hereafter referred to as Agencies, that wish to participate under the State's contract.

The Respondent submitting the successful proposal must clearly demonstrate their ability to provide immediate and consistent efforts in collections and timely return of the money collected. While the State expects the Contractor to use a reasonable level of assertiveness in the collection of delinquent receivables, it is important that debtors (who are clients and taxpayers of the State of Utah) be treated fairly and ethically.

### **1.2 CONTRACT OBJECTIVES**

The primary objectives of the Contract are to:

- A. Increase the percentage and amount of delinquent receivables collected;
- B. Decrease delinquent receivables collection costs;
- C. Streamline delinquent receivables collection processes;
- D. Position the State to effectively and efficiently collect delinquent receivables in the future; and
- E. Position the State so that Agencies may utilize a Statewide Contract and negotiate separate SLAs to include, but not be limited to, disclosure requirements, system interface requirements, and additional performance standards.

### **1.3 GENERAL BACKGROUND INFORMATION**

Five years ago the State contracted with a private sector collection contractor to implement and operate a central collection unit (CCU) as part of a pilot project to determine future collection strategies. The Contractor resided in the State Office Building and collected state receivables. The CCU terminated CCU operations on August 30, 2002. The CCU inventory was transferred and is being collected from the Contractor's location.

During the past five years, the State has contracted with three other private sector collection (PSC) Contractors to provide collection services in the traditional collection environment where the State's receivables are collected along with other business receivables at the Contractor's location. Only one of these contracts is still active and hereafter is referred to as the PSC. The PSC receives all secondary placements and 25% of the State's primary placements except for ORS and USTC.

Receivables of approximately \$902.4 million are owed the State or other third parties the State is mandated to collect for. Of this amount, \$408.2 million is identified as delinquent 90 days or more with many of them delinquent for a number of years.

The types of receivables that are represented in the above are: Sale of Goods/Services, Taxes, Fines, Forfeitures, Contracts, Loans, Claims, Damages, Interest, Penalties, Licenses, Permits, Fees, Overpayments of Services, Reimbursement of Expense, etc. State receivable inventories are presented in Attachment C and D.

A copy of the Annual Receivable Report for FY 2002 to the Governor and 2003 Legislature is available for your review at website [www.debt.utah.gov](http://www.debt.utah.gov).

### **In-House State Receivable and Collection Programs**

**Utah State Tax Commission** - USTC has an established collection program with dedicated staff of about 85 people. The staff is responsible for compliance and collection of receivables, offers-in-compromise, waivers, bankruptcy, garnishments, Federal Offset and administration of outsourcing. The USTC designs their receivable selection campaigns or receivable management to identify, prioritize, and assign the collection of debt based on newer delinquencies. Income and business tax receivables delinquent over 24 months are generally outsourced, if not in active resolution. Receivables that are between 12 and 24 months are outsourced on a limited basis.

**Office of Recovery Services** - ORS is responsible for the administration of the Child Support Enforcement program for the State, collection of public assistance overpayments, establishment and collection of support for children in the care or custody of the State and for third party liability collections in behalf of Medicaid. They have over 600 employees responsible for these activities. Most of their collections are for third party clients and the Federal Government. Collections are distributed between the State and federal government and to third parties. Receivables available for outsourcing are limited to child support (public assistance arrears only), and some public assistance overpayments. Most of these receivables will be delinquent for one or more years. Most of the collection work in this area will be retained by ORS.

**Workforce Services Contributions** - The Contributions section is responsible for collecting delinquent Employer taxes and unemployment overpayments. A collection staff of about 28 employees is involved in collections and compliance activities. This agency will be outsourcing debt that is delinquent 6 or more months.

**Juvenile Courts** - Most of the collection work in the Juvenile Courts will be retained by those courts due to the integral success they achieve by working with youth offenders to bring about a change in behavior and encouraging the acceptance of responsibility for the consequences of their actions.

### **1.4 SCHEDULE OF EVENTS (ALL TIMES LISTED ARE LOCAL UTAH TIMES)**

- A. Respondents are invited to submit written questions and/or requests for interpretations or clarifications of the RFP to the Division of Purchasing, no later than Monday, December 16, 2002 prior to 10:00 a.m. MST. The State will respond to all questions of a material nature in an addendum that will be posted on Purchasing's website [www.purchasing.utah.gov/currentbids](http://www.purchasing.utah.gov/currentbids) on Monday, December 23, 2002.

Questions may be submitted to:  
Roselle Miller  
Purchasing Agent  
Division of Purchasing  
3150 State Office Building, Capitol Hill  
Salt Lake City, UT 84114  
Telephone: (801) 538-3232  
FAX (801) 538-3882  
E-mail: [rwmill@utah.gov](mailto:rwmill@utah.gov)

- B. An original and 8 identical copies of the proposal must be delivered to Purchasing prior to the due date and time indicated. Proposals that are not submitted on time will not be considered. Faxed proposals are not acceptable. Names of the firms submitting proposals will be available at [www.purchasing.utah.gov/vendorinfo](http://www.purchasing.utah.gov/vendorinfo) after the proposal due date.
- C. The contents of proposals shall remain confidential until the proposals have been evaluated. After the proposals of the qualified Respondents are reviewed and evaluated and, if

necessary, site visits and best and final offers received, a notice of intent to award will be issued. Proposals must be held firm and irrevocable, and may not be withdrawn for a period of ninety days following the due date. In the event the State and the successful Respondent are negotiating a contract on or after the 90 days, the Contractor agrees to hold the price firm pending execution of a contract with the State.

## **1.5 ADMINISTRATIVE GUIDANCE**

### **A. General Information**

The information provided herein is intended to assist the Respondent in the preparation of proposals necessary to properly respond to this RFP. The RFP is designed to provide interested Respondents with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit proposal content or exclude any relevant or essential data there from. Respondents are at liberty and are encouraged to expand upon the specifications to evidence service capability under any agreement.

### **B. Communication with Staff**

From the date this RFP is issued until a determination is made and announced regarding the selection of the Respondent(s) for this request for proposal, contact between Respondent or their representatives and individuals employed within State government regarding this RFP is prohibited.

### **C. Starting Date**

The project start date is negotiable but must be within 60 days from the award date of the contract.

## **1.6 PREPARATION OF THE PROPOSAL**

Every part of the proposal must be legible and of sufficient print clarity to allow copying of the document. Proposals are to be in the format outlined in Chapter 4. All answers that are given to the questions asked in this RFP are subject to verification. Misleading and/or inaccurate answers may be grounds for disqualification at any time or period in the procurement process.

Each proposal must be packaged to allow the State to review and evaluate the Business Proposal and general information responses from each Respondent before evaluation of the Cost Proposal. The Business Proposal and general information shall be sealed in a separate envelope from the Cost Proposal. The entire package, containing all required response forms and other required information should be submitted together.

Proposals shall not contain promotional or display materials. Proposals must address the business requirements. All questions posed by the RFP must be answered concisely and clearly.

## **1.7 RFP CHANGES AND ADDENDA**

If necessary, the State shall prepare a written addendum in response to all pertinent questions and requests for interpretation submitted timely and in writing. In the event it becomes necessary to revise any part of the RFP prior to the scheduled submittal date, an addendum shall be issued to all known recipients of the RFP.

## **1.8 PROPOSAL OBLIGATION**

The successful Respondent's proposal and all addenda and clarifications shall become part of the contractual obligation and shall be incorporated into the ensuing contract.

## **1.9 DISPOSITION OF PROPOSALS**

Proposals submitted in response to the RFP become the property of the State, regardless of whether the State rejects any or all of the proposals.

**1.10 DISCLOSURE OF PROPOSAL CONTENT**

The laws of Utah require that at the conclusion of the selection process the contents of the successful proposal be placed in the public domain and be open to inspection by interested parties for a period of 90 days. Trade secrets and proprietary information that are legally recognized as such and are protected by law may be withheld if clearly identified as such and marked on each page of the proposal. Contents of the Cost Proposal may not be considered proprietary and may be placed in the public domain. The proposals shall remain confidential until the proposals have been evaluated and the State issues a notice of intent to award. Proposals submitted may be reviewed and evaluated by any person at the discretion of the State.

**1.11 ORAL PRESENTATION**

An oral presentation by a Respondent to supplement a proposal may be required. These presentations will be scheduled, if required, by the evaluation committee subsequent to the receipt of proposals and prior to the award.

**1.12 PROPOSAL EVALUATION AND AWARD**

All proposals submitted shall be evaluated in accordance with the requirements set forth in Chapter 4 of the RFP. Any Contract resulting from this evaluation process shall not necessarily be awarded to the Respondent with the lowest price. The Contract shall be awarded to the Respondent who has accumulated the most points in accordance with the evaluation criteria outlined in Chapter 4.

**1.13 EXCEPTIONS TO STANDARD AND SPECIAL TERMS AND CONDITIONS**

The State reserves the right to accept or reject any exception taken by a Respondent to the terms and conditions of this RFP. The Respondent's exceptions may be rejected and the entire proposal declared non-responsive. The State may elect to negotiate with the successful Respondent regarding Contract terms that do not materially alter the substantive requirements of the RFP.

**1.14 MISCELLANEOUS**

- A. The State reserves the right to accept or reject any part of any proposal, and to accept or reject any or all proposals without penalty.
- B. The State reserves the right to waive minor deficiencies and informalities if, in the judgment of the State, its best interests will be served. Failure to comply with a mandatory requirement is not a minor deficiency or informality that will be waived.

## **2.0 SCOPE OF WORK**

### **2.1 GENERAL RESPONSIBILITIES**

- A. Based upon statutory formula, the Contractor will develop methods of allocating and tracking monies by revenue type (interest, penalties, fines, etc.).
- B. The Contractor, its agents or representatives, shall not initiate court proceedings or court based collections in the State of Utah or in any other jurisdiction for the purpose of collecting receivables owed to the State except as provided by law and specifically authorized in writing by the State.
- C. The Contractor shall provide the State with direct on-line access to the Contractor's computer records for purposes of monitoring the Contractor's performance and answering citizen questions.
- D. The Contractor shall obtain prior written approval from Agencies for use of all forms and letters for the services outlined in this contract.
- E. The Contractor shall notify Agencies within 24 hours of receivables in which fraud is suspected of any person associated with a referred receivable.
- F. Debtor disputes shall be resolved with the referring Agency.
- G. All documentation and correspondence, to meet state and federal audit requirements and policies and procedures, shall be maintained by the Contractor in an receivable file or on an automated system approved by the Agency.
- H. The Contractor shall, within 30 days prior to receiving initial placements, train appropriate Agency staff regarding the use of any databases that may be developed for information transfer and use of the Contractor's computer system and reports.
- I. The Contractor shall immediately notify the Agency upon receipt of a complaint lodged orally or in writing and the resolution thereof.
- J. All new or changed receivable information discovered by the Contractor shall be communicated to the Agency pursuant to their SLA.
- K. The Contractor shall have and maintain a disaster recovery plan.
- L. Correspondence, telephone inquiries, or any other types of communication received by the Contractor from an elected official, state or federal agency or media representative shall be referred to the Agency for a jointly prepared response.
- M. The Contractor certifies the data processed during the performance of this contract will be completely purged from all data storage components of their computer facility, and the Contractor will retain no output at the time the work is completed. Completion of work shall be defined in agency SLA. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS Data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- N. The Contractor shall not forgive or compromise receivables without the express written consent of the Agency, nor shall the Contractor make or solicit an offer of compromise or forgiveness of receivables. An unsolicited offer of compromise or forgiveness of receivables from a Debtor shall be immediately communicated to the Agency for authorization.

- O. The Contractor shall participate in performance review meetings at the request of the Agency or as defined in a SLA. If travel is required, all expenses will be the sole responsibility of the Contractor.
- P. Debtor payment agreements:
  - 1. The Contractor may enter into installment agreements with debtors provided the installment agreement complies with guidelines of Agency SLA.
  - 2. All payment agreements shall contain language that the existence of the payment agreement and/or compliance with the payment agreement shall not preclude the State from continuing to use state and federal tax offset procedures; statewide warrant program or any other state or local government tool that may be used to enforce the payment of state debt. The Contractor shall follow all applicable state and federal laws when entering into any payment agreement.
  - 3. The Contractor agrees to provide (at no cost to the State) a nationwide toll free telephone service for use by the State and all parties involved in the receivables being handled by the Contractor.
  - 4. The Contractor will have nationwide resources to effect collection, including ability to skip-trace and seek legal remedies as defined in SLA.
  - 5. The Contractor must acknowledge receipt of the receivables(s) within five (5) working days and promptly begin collecting, documenting actions taken and monitoring payments received as defined in the performance standards.

## **2.2 SYSTEM AND SYSTEM INTERFACES**

- A. The Contractor is responsible for the costs and the development of systems and system interfaces to facilitate the transfer of data with Agencies. A minimum of three interfaces will be required for State Agencies; one with USTC, one with the ORS and one with the OSDC. Should political subdivisions use the statewide contract, additional interfaces may be required.
- B. If an Agency permits Contractor access to Agency debtor files, the Contractor and Agency agree to negotiate the most cost effective method for such access. The negotiated cost of such development shall be the Contractor's responsibility.
- C. The Contractor will develop mutually acceptable processes and procedures for Agencies unable to give the Contractor electronic access to collection data.

## **2.3 REFERRAL OF DELINQUENT RECEIVABLES**

- A. Agencies may, at their choice, refer receivables to multiple State Contractors. SLA will identify receivable allocations.
- B. Placements:
  - 1. Initial placement: Contractor shall provide continual collection services for a period of 12 months unless the debt is recalled by the Agency, as defined in the SLA.
  - 2. Second placements: At the discretion of the Agency, primary receivables that are not collected or in a resolution process during the 12 month initial placement period may be placed a second time with other State collection Contractors for a period of at least 6 months. Second placement receivables may be recalled as defined in the SLA. Receivables not collected in the additional 6 month period will be returned to the appropriate Agency.
  - 3. Upon returning initial or second placements, a complete history of the Contractor's collection efforts must be provided to the Agency.
  - 4. Agencies shall provide updated client information and new debts as outlined in the SLA.
  - 5. Dishonored Checks may be placed with one or multiple Contractors depending on the Dishonored Check collection program, experience, and recovery rate.

6. State Agencies except for USTC and ORS will coordinate the placement of their receivables through OSDC. USTC and ORS make direct placements with the Contractor. Political subdivisions have the option to make direct placements or to coordinate through OSDC.
7. The number and types of receivables referred to the Contractor shall be defined in the SLAs.
8. When possible, debt placement information will include:
  - a. Name of responsible person or entity
  - b. Address information
  - c. Employer information
  - d. Telephone number
  - e. Amount owed
  - f. Other available information
9. Agencies will make every effort to provide the Contractor with the most accurate data possible, however, the Contractor shall immediately notify the Agency of any inaccuracies they discover.
10. The Contractor shall provide continual collection services unless the receivable is recalled by an agency for one of the following reasons:
  - a. A new court order for current support in an arrearage receivable becomes effective for the receivable.
  - b. The obligation owed by the debtor is fully resolved through other means.
  - c. The receivable is closed according to federal receivable closure requirements.
  - d. The receivable is referred in error.
  - e. The debtor is deceased and the search for available assets is exhausted.
  - f. The debt is incorrectly calculated.
  - g. The receivable is involved in pending litigation for an Agency that does not authorize Contractor to perform litigation services. Agencies that are authorized may use the Contractor's litigation services.
  - h. The receivable is involved in administrative appeal.
  - i. The court ordered obligation is suspended.
  - j. Appropriate documentation is obtained for the State to take legal action.
  - k. Other as identified in SLA.
11. Agencies may recall a receivable by fax, e-mail or telephone call. The Contractor will discontinue all collection activity immediately but no later than 2 working days from the Agency notification date.
12. The Contractor must accept all placements whether the debtor resides in or outside the State.
13. Collection efforts must be made on all receivables regardless of age, amount, location or other factors of the debt.
14. Contractors receiving notification that a debtor has filed a bankruptcy petition will obtain the filing date, docket number of the bankruptcy receivable, name and address of the court in which the petition was filed and the name and telephone number of the debtor's attorney. Contractor will return or work the receivable according to the SLA.

## **2.4 REQUIRED REPORTING**

The Contractor will provide the Agency with reports, by the 10<sup>th</sup> of each month, for the prior calendar month. Reports shall include:

1. Number and dollar amount of receivables referred
2. Number and dollar amount of receivables returned by category (refer to 2.6.A)
3. Date of referral/return, age to resolution
4. Number of referred receivables not yet returned to the State
5. Recovery rate of referred/returned receivables
6. Type of collection made (Public Asst., Tax, overpayment, etc.)



7. Repayment agreements in effect
8. Uncollectible receivables, broken out on the report by reason (i.e. bankrupt, incarcerated, deceased, public assistance recipient, etc.)
9. Bankruptcy and legal actions taken on each receivable and the dates of such actions
10. Total fees charged by Contractor
11. Other information identified in SLA.

## 2.5 PAYMENT TERMS

- A. Agencies shall pay the Contractor a contingent or fixed fee(s) on all payments made on receivables assigned to the Contractor that result from the direct collection effort of the Contractor.
- B. Payments are subject to adjustments, liquidated damages or offsets pursuant to the terms and conditions stated in this contract.
- C. The payment invoice must itemize, by Agency, the total collections and fees to facilitate agency review and reconciliation.
- D. The Contractor will instruct debtors to make payments based on SLAs
- E. The Contractor agrees to process all payments received by the Contractor as follows:
  1. Verify, process and deposit the checks, money orders, etc. daily.
  2. Appropriately record the payment to the verified receivable,
  3. Update all receivables, including interest and penalty calculations on a regular basis as specified in SLA,
  4. Unless defined differently in the SLA, the Contractor shall remit gross dollars collected for the Agency through ACH as defined below:
    - i Remit guaranteed payments (e.g., cash payments) in the next ACH transfer to the Agency
    - ii Remit non-guaranteed payments (personal checks) in the next ACH transfer no later than 14 working days from the date of deposit
    - iii In no instance, shall the remittance to the Agency be greater than 18 working days from the deposit date.
- F. Contractor remittance reports shall identify the receivable #, receivable name, date of payment, total amount collected, amount remitted for each debtor, allocation of the payment, ending balance and other information that may be identified in the SLAs.
- G. Agencies will continue to refer receivables placed with the Contractor to all electronic intercept match programs available to the State including the Federal IRS Tax Refund, the State Tax Refund, State Administrative Offset program, New Hire Registry; etc.
- H. Collections for which the State will not pay the Contractor include, but are not limited to:
  1. Receivable offset or intercept
  2. License Sanction
  3. Administrative Levy (when the asset is identified by the entity prior to Contractor identification)
  4. Income withholding
  5. Electronic intercepts, asset information or levy source identified by the Agency one or more days prior to notification by the Contractor of same information.
  6. Receivables returned to the Agency as uncollectible.
  7. Uncollected portion of a debt where collection actions are either suspended temporarily or permanently by Contractor or Agency.
  8. Amendments or correcting adjustments made to the receivable subsequent to the placement date.

9. Money collected through the sale of real or personal property, unless Contractor can demonstrate to the Agency's satisfaction the collection is a direct result of Contractor's actions.
  10. Payments posted after the filing of or received from a bankruptcy, unless the Contractor through a court appearance was responsible for confirming and securing the Agency's position in the bankruptcy receivable.
  11. Payments received by the Agency prior to or within 10 calendar days from the date the receivable is referred to the Contractor.
- I. The Agencies shall send updates to the Contractor to report collections made directly to the Agency, as well as any other adjustments to receivable balances.
  - J. The Contractor shall not be reimbursed for any costs or obligations of doing business. The monthly payment for services directly attributable to Contractor is the only payment for which the State is obligated under this Contract, except as agreed upon in the SLA.
  - K. The Contractor must provide a written summary of payments received from any debtor that makes such a request in writing.

## **2.6 PERFORMANCE STANDARDS**

- A. Work performed by the Contractor for the Agency will be measured by the number of receivables returned in the following categories as compared to total placed with Contractor:
  1. Resolved through payment in full
  2. Resolved with no payment
  3. Partially resolved or paid, with balance returned as unable to collect
  4. Debt returned unable to collect
- B. Work performed by Contractor will be measured by revenue collection.
- C. Monthly, the Contractor shall report work performance as outlined in 2.6A and 2.6 B to OSDC, and Agencies making direct placements, and monthly in summary for the State of Utah to OSDC.
- D. Measurements reported, as defined in 2.6 B, may be used by the Agency to determine percent of future placements.
- E. The Contractor through call management systems and service observing will monitor work performed by Contractor representatives in the course of collections. The Contractor shall recommend frequency and criteria for monitoring to be approved or negotiated and documented within Agency Service Level Agreements, and audited against annually.
- F. The Contractor shall outline their level of collection effort to include timing of collection events by dollar range for first (initial) or second placements and caseload per agent. These collection performance standards shall be approved or negotiated and documented within Agency SLAs, and audited against annually.
- G. The Contractor shall balance and reconcile with the Agency as defined in Agency SLAs for:
  1. Inventory of placements
  2. Remittance with deposits
- H. The Contractor shall recommend behavioral and customer service standards used by Contractor representatives to be approved or negotiated and documented within Agency SLA, and audited against annually.

## Chapter 2 – Scope of Work

- I. The Contractor representatives shall verify and document “right party contact” with each call made, and follow all training and confidentiality agreements.
- J. The Contractor shall immediately stop collection activity upon any recall request by the Agency.
- K. The Agency shall provide the Contractor with the amount of the debt at the time of placement. If regular financial updates are not provided by the Agency, the Contractor shall accrue and quote payoff based on SLA. Payoff errors that exceed Agency threshold as established in their SLA, shall be the responsibility of the Contractor.
- L. Work performed by the Contractor in accordance with the contract and any SLA will be verified annually by Agency through audit sampling process.

### **3.0 BACKGROUND INFORMATION AND REFERENCES**

For each of the following statements or questions, Respondents shall provide complete, concise, and accurate information. Failure to provide the information in the form requested or inaccurate or misleading information or answers may result in rejection of the proposal from evaluation. Please restate the section number immediately preceding the response. Before execution of a contract, the successful Respondent must qualify to do business in the State of Utah.

### **3.1 BUSINESS INFORMATION**

Provide the following information:

- A. Name, primary address, telephone number, facsimile transmission number, electronic mail address, if applicable, and name of a contact person for purposes of the Respondent's response to this RFP. If the business entity submitting the proposal has changed, altered, or modified the structure of its business entity or its name within the past three (3) years, for each question asked below, the Respondent shall include responses to the questions for its current business entity, its prior business structure and its prior name.
- B. Type of business entity (i.e., corporation, partnership, etc.).
  - 1. If the entity is a corporation, identify the State of incorporation. State whether the corporation is in good standing with the appropriate authorities in the State of incorporation; if not, why?
  - 2. If the entity is a corporation, has the corporation lost its charter, certification or registration for any reason in any State in which they registered it? If so, why?
  - 3. If the entity is a foreign corporation, state whether the corporation is in good standing with the appropriate authorities in the place of incorporation; if not, why?
  - 4. If the entity is a foreign corporation, is the corporation registered and in good standing with the State of Utah? If not, is the corporation eligible to be registered in the State of Utah? If not, why?
- C. The Respondent's Federal Identification Number and Utah Tax Identification or Registration number, if any.
- D. Identification of each state in which the business operations or dealings of the (corporate or other type of entity) Respondent are chartered, registered, certified, licensed, bonded or regulated. In addition, give the name(s) and locations(s) of Respondent offices or other facilities within each of the states identified.

### **3.2 BUSINESS PRACTICES - COMPLAINTS AND DISCLOSURES**

The Respondent must submit the following information concerning complaints received, debarment, and contract termination and/or non-renewal.

- A. The Respondent must disclose whether it had any contracts or agreements terminated because of complaints about its services or collection practices. The Respondent shall disclose the number and nature of material complaints that have been filed against the Respondent in the last 3 years in accordance with federal and State laws regulating either the collection of debts or unfair and deceptive trades practices. The Respondent shall disclose any queries made by any governmental authority concerning any of the collection efforts, including, but not limited to, the Federal Trade Commission. For each complaint disclosed, the Respondent shall furnish the following:
  - 1. The complaint
  - 2. Response to complaint
  - 3. Any resolution, instruction, or direction of the responsible authorities

- B. The Respondent must disclose whether it has been prohibited from performing, or offering to perform, any of the services requested by the RFP specifications, either by the federal government or by any state or territory of the United States.
- C. If within the past 3 years, a contract for the collection of any type of receivables has been terminated for nonperformance, rescinded, or not renewed, the Respondent must provide the name and addresses of the contracting parties who took such actions and a brief discussion of the circumstances.
- D. The Respondent must disclose all court litigated actions against them within the last three (3) years and include any orders issued by the court.

### **3.3 FINANCIAL INFORMATION**

Each Respondent shall provide one copy of its most recent audited financial statement with the original proposal or other information sufficient for the State to evaluate their financial condition to ensure the Respondent can fulfill its obligations under the contract. Respondents may request their financial statements and other financial information be kept confidential by the State.

The Respondent must disclose:

- A. If within the past 3 years, the respondent has filed a voluntary petition in bankruptcy, a voluntary petition to reorganize its business, or a voluntary petition to affect a plan or other arrangement with creditors. If so, explain the circumstances and the outcome of any such filing in detail.
- B. If within the past 3 years, the respondent has been the subject of filing for involuntary bankruptcy, explain the circumstances and the outcome of any such filing in detail.
- C. If within the past 3 years, the respondent has been notified that it is in default of its obligations under any contract for the collection of any type of receivables, provide a clear and concise statement of the reasons alleged to have occasioned the default and state the manner in which the matter was resolved. If the matter is not yet resolved, state the issues that prevent resolution.

### **3.4 EXPERIENCE & REFERENCES**

Each Respondent by signing the proposal agrees to allow the evaluation committee to contact any and all Respondent's references, and other persons or entities for which the Respondent performs and has performed collection activities.

Provide the following verifiable information:

- A. Complete listing of all contracts with public entities for the collection of their receivables during the last 3 years. If the Respondent has not been engaged in the collection of receivables for a public entity, provide a listing of all contracts with other businesses for the collection of their receivables during the past 3 years. List contract beginning and ending dates.
- B. Complete listing of current collection contracts.
- C. Listing of the Respondent's 5 largest collection contracts with state or local governments. If the Respondent has not been engaged in the collection or receivables owed to public entities, list the 5 largest collection contracts with other businesses.

- D. For each contract listed, provide the following information:
1. Name of public entity or business.
  2. Name of the key contact person(s) for the contract.
  3. Business and electronic mail address, telephone and fax numbers, services performed for the individual(s) listed.
  4. Summary of the scope of the contract and the types of activities/services performed.
  5. Type of debt collected.
  6. provided legal or discovery services.
  7. The period and volume of receivables handled.
  8. Other services covered under the contract (beginning and termination dates).
  9. Number and dollar amount of receivables referred/returned by category (refer to 2.6.A).
  10. Average age of the receivables at time of placement.
  11. Average time from placement to recovery.
  12. Recovery rate of referred/returned receivables (as requested in table below).

Days/mo Receivable Past due at time of placement	Average % Collected within 60 days	Average % Collected within 90 days	Average % Collected with 180 days	Average. % Collected within 12 mos.
30 days–90 days				
90 days-180 days				
6 mos.-12 mos.				
12 mos.-24 mos.				
24 mos.-36 mos.				
> 36 mos.				

- E. Provide the names, addressees, telephone and fax number for five business references, for whom you have conducted collection activities within the past 3 years. Describe the services performed and the volume of receivables handled.
- F. Provide information relative to your financial responsibility.
- G. Provide evidence that you are bondable.
- H. List any special certifications held by the Respondent and/or its employees and the percentage of total employees certified.
- I. Provide a statement from a principle or officer that the Respondent has met all required tax filings and has no outstanding obligations to any agency in the State.
- J. Provide additional information the Respondent would like the State to consider during its evaluation of the RFP.

### 3.5 SUBCONTRACTORS AND JOINT VENTURERS.

If the Respondent intends to use subcontractors or to enter into a joint venture with another prospective Respondent to fulfill the primary purposes of the RFP, the prospective Respondent shall respond to each of the above questions for each such subcontractor or joint venture it

proposes to use. If the prospective Respondent intends to use subcontractors or to joint venture to perform services (including but not limited to mailing services, printing, software programming, etc.) ancillary to the primary purposes of the RFP, the prospective Respondent shall disclose for each such proposed subcontractor or joint venture the information requested in sections 2.1; 2.2, subsections A, B, C; subsection 2.3, A and B; and 2.4, subsections B and C.

The Respondent recognizes and by submitting a proposal in response to this RFP represents an understanding that in order to perform services that involve Federal tax information all subcontracted work must be performed under the supervision of the Contractor and that prior written approval of the Internal Revenue Service is required.

### **3.6 BUSINESS PLAN AND REQUIREMENTS**

In preparation of the Business Plan, the Respondent should thoroughly understand the provisions in the Scope of Work and the Performance Standards in Chapter 2. Failure to take into consideration all aspects of the contract may weaken the proposal the Respondent presents to the State.

### **3.7 BUSINESS PLAN**

The State has outlined requirements, which should be addressed in the Business Plan. These are set forth in section 3.8 Operating Requirements and 3.9 Technical Requirements. Additional requirements that should be addressed in the Business Plan are found in Chapter 2 - Scope of Work. The Business Plan should address how the Respondent will accomplish these requirements. Proposals will be evaluated based on the clarity of specific detail, i.e., how, when, and where the work or task will be accomplished. The response should be in a narrative form supported by attachments as necessary and clearly identified with each item in the subsection. The requirements listed should not be construed as exhaustive; therefore, the Respondent is encouraged to include additional information they feel will be valuable in assisting the State in the evaluation of the proposal.

### **3.8 OPERATING REQUIREMENTS**

- A. Provide information on the following to assist the State in the evaluation of the proposal:
  - 1. Managing and training of the Collection Staff.
  - 2. Average number of collection receivables (tax, fines, fees, goods/services, contracts, child support arrears, overpayments, etc.) handled by each collector.
  - 3. Education, experience and certification requirements for hiring collection personnel.
  - 4. Collectors average years of collection experience.
  - 5. Collectors average years of service with the Respondent.
  - 6. An outline of the training program, including all training procedures, activities and materials used to train employees, emphasizing all special training relative to the collection of public debt and assurance of positive customer relations.
- B. Developing system interfaces to Agency systems and other databases to facilitate the transfer of receivables and data between the Agency systems and the Respondent. There will be a minimum of three, possibly four interfaces required for the State programs. Agency system interfaces will be defined in the SLA. The interface to the ORS and the USTC may be extensive. All interfaces have the potential to require revisions during the term of the contract as enhancements are made to State systems.
- C. Developing methods for controlling the utilization of confidential information contained in the Agencies delinquent receivables and their associated systems to ensure compliance with State and Federal privacy laws.

- D. Allocation of money collected for third parties, federal government, restricted funds, Agencies, etc. based upon statutory formula.
- E. Type of programs used to collect Dishonored Checks and associated costs. The program should comply with Section 7-15-1, et. Seq. UCA.
- F. Ability to pursue a receivable requiring legal action if requested to do so by any program participant.

### **3.9 TECHNICAL REQUIREMENTS**

Respond to the following technical requirements as identified below by concisely describing or proposing the manner in which the task or service will be performed. The list may not be exhaustive and therefore the Respondent is encouraged to submit additional requirements that will allow the most effective and efficient collection of receivables receivable:

- A. Describe how scope of work defined in chapter 2 will be accomplished.
- B. Describe method(s) used to document collection attempts and ensure that collection attempts are being made.
- C. Describe how the Predictive Dialer is used in the collection of debt. If your business does not use the predictive dialer to assist in the collection of debt, state why not.
- D. Provide samples of form letters used to effect collection of referred receivables.
- E. Provide samples of management and statistical reports used to administer the collection function.
- F. Describe the tools and processes used for receivables where the location of the debtor is not identified by the Agency (skip-tracing).
- G. Describe how receivables will be recommended for litigation and the assets and liabilities will be identified.
- H. Provide a copy of internal control and audit policies.
- I. Describe disaster recovery plan including off-site storage location and plan for backing up data daily.
- J. Provide policies and procedures regarding customer service and complaint resolution.
- K. Provide a list of other services not included under the proposed contingency fee and a firm price for each.

### **3.10 PURSUE ALL RECEIVABLES**

The State is aware of a practice in the receivables collection industry in which receivable collectors expend the majority of their time and efforts in the collection of some receivables that may be more readily collectible. This industry practice is called “creaming”. The State desires a Respondent who will diligently work all receivables referred for collection in an appropriate manner. Respondents should include in their responses to the RFP a plan and strategy together with any recommended reporting requirements that will provide measurable assurances to the State that the Respondent is not “creaming” receivables.



### **3.11 FLEXIBILITY OF REPORT GENERATION**

The Respondent shall provide information regarding the flexibility of their collection software to provide ad hoc reports that may be requested by the Agency. This should include any limitations of the report generation process as well as the time to provide reports.

#### **4.0 PROPOSAL RESPONSE**

The State will form a team to evaluate whether the proposal clearly demonstrates respondent's ability to provide immediate and consistent efforts in collections and timely return of the money collected, specifically meeting the primary objectives of:

1. Increase the percentage and amount of delinquent receivables collected.
2. Decrease delinquent receivables collection costs.
3. Streamline delinquent receivables collection processes.
4. Position the State to effectively and efficiently collect delinquent receivables in the future.
5. Position the State so that Agencies may utilize a Statewide Contract and negotiate separate SLAs to include, but not be limited to, disclosure requirements, system interface requirements, and additional performance standards.

#### **4.1 EVALUATION PROCESS**

- A. A committee will be formed for the purpose of evaluating the proposals against the following criteria with weightings as shown. Proposals will first be rated acceptable, potentially acceptable or unacceptable. All acceptable and potentially acceptable proposals will continue on to the next phase of the evaluation. Unacceptable respondents will be notified at this time.

<u>Criterion</u>	<u>Weight</u>
Business Plan	35%
Experience and References	35%
Cost	30%

- B. Evaluation of the Business Proposal. Proposals scoring the required minimum will continue to the next phase which is the scoring of the Cost Proposal. Respondents will be notified at this time if their proposal scored high enough to continue in the evaluation process. The Cost Proposal remains unopened until the Business Proposal is scored.
- C. The next phase is the scoring of the Cost Proposal.
- D. The Business Proposal points will be added to the Cost Proposal points to obtain the total points for each proposal.

#### **4.2 BUSINESS PROPOSAL CONTENTS**

- A. The Business Proposal shall consist of the following:
1. Respondents shall present their Business Proposal in an organized bound (such as a 3 ring binder) manner, complete with a Cover or Title Page, Table of Contents and index tabs where appropriate.
  2. Completion of and response to the Business Evaluation Response Form found later in this section.
  3. The proposal should follow the organization that is in the RFP.
- B. The Respondent shall indicate on the Business Evaluation Response Form, the location in the Proposal document where a specific response can be located for evaluation purposes. By indicating the location of the response, the respondent indicates that they had read, understand and will comply with the contents of each section or by supplying the necessary information/narrative as applicable. Failure to provide a location, if required, will be deemed as non-responsive and may result in rejection of the proposal.
- C. The State may elect to negotiate with the successful Respondent regarding contractual terms and conditions which do not materially alter the substantive requirements of the proposal or

the Respondent 's response to the RFP. If the State requires the Respondent to propose a plan or method of achieving an objective in Chapter 2 or 3, the proposed plan will not be deemed an exception to the contractual terms and conditions, unless the proposed plan substantially and materially alters the requirements as set forth by the State.

#### **4.3 COST PROPOSAL CONTENTS**

The Cost proposal shall consist of the following documents and responses:

- A. The percentage of revenue collected that Respondent proposes to charge as its collection or contingent fee(s).
- B. Include a schedule of rates for any additional services, if applicable, including collection of dishonored checks.
- C. The Cost Proposal must be separately sealed in an opaque envelope and separated from the Business Proposal.

PROPOSAL RESPONSE FORMS

BUSINESS EVALUATION CRITERIA

	<b>Chapter, Section / Paragraph</b>	<b>Description</b>	<b>Location of Response in Proposal</b>	<b>Evaluation Points Available</b>	<b>Evaluation Points Awarded</b>
<b>Accept / Reject Criteria</b>	1.1, 1.2	Contract Purpose and Objectives		N/A	N/A
	1.6	Preparation of the Proposal - Quality	N/A	N/A	N/A
	3.4	Experience and References Provided		N/A	N/A
	3.5	Sub-Contractors/Joint Venture Information Provided		N/A	N/A
<b>Business Plan</b>	2.5.E –F	Payment Terms – Process Payments and Reporting		5	
	2.6.E	Call Management and Service Observing		5	
	2.6.F	Outline Level of Collection Effort		25	
	2.6.H	Behavioral and Customer Service Standards		25	
	2.6.I	Verification of 'Right Party Contact'		5	
	2.6.K	Accurate 'Payoffs'		20	
	3.1	Business Information		5	
	3.2	Business Practices – Complaints and Disclosures		5	
	3.3	Financial Information		5	
	3.7	Business Plan			
	3.8.A	Operating Requirements – Training		5	
	3.8.B	Operating Requirements – Interfaces		35	
	3.8.C	Operating Requirements – Confidentiality		35	
	3.8.D	Operating Requirements – Allocation of Monies		5	
	3.8.E	Operating Requirements – Dishonored Check Program		5	
	3.8.F	Operating Requirements – Ability to Pursue Legal Action		5	
	3.9.A	Business Requirement – Scope of Work		5	
	3.9.B	Business Requirements – Documentation and Compliance with Level of Collection Effort		35	
	3.9.C	Business Requirements – Predictive Dialer		15	
	3.9.D	Business Requirements – Sample Letters		5	

PROPOSAL RESPONSE FORMS

	3.9.E	Business Requirements – Sample Reports		5	
	3.9.F	Business Requirements – Skip Tracing		15	
Business Plan	3.9.G	Business Requirements – Litigation		5	
	3.9.H	Business Requirements – Internal Audit / Control Policies		25	
	3.9.I	Business Requirements – Disaster Recovery Plan		5	
	3.9.J	Business Requirements – Customer Service / Complaint Resolution		35	
	3.9.K	Business Requirements – Other Services		5	
	3.11	Flexibility of Report Generation		5	
				Total 350	
Experience and References	3.4	Experience		150	
		Results from References checks: Client Services Employee Training Behavioral / Cust. Service and resolution Verification “right party” Confidentiality Collection Results Compliance / Disclosure Documentation / Compliance w/Level of Effort “Creaming” Interfaces Flexibility of Reports - Skip Tracing?	Committee Results	200	
				Total 350	
				Yes	No
Acknowledgement / Acceptance	Attachment A, Section 1.13	Respondent agrees to Standard Terms & Conditions found in Attachment A	Check the appropriate column (Yes/NO)		
	Attachment B	Respondent agrees to Special Terms & Conditions found in Attachment B			
Information	3.5	Subcontractors / Joint Ventures		N/A	

PROPOSAL RESPONSE FORMS

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Cost Proposal	4.4	Cost Proposal	Separate from Business Proposal	300	
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**Standard Contract Terms and Conditions**  
**State of Utah, Statewide Contracts**  
(Request for Proposals)

- 1. AUTHORITY:** Provisions of this contract are pursuant to the authority set forth in 63-56, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.
- 2. CONTRACT JURISDICTION, CHOICE OF LAW, AND VENUE:** The provisions of this contract shall be governed by the laws of the State of Utah. The parties will submit to the jurisdiction of the courts of the State of Utah for any dispute arising out of this Contract or the breach thereof. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake Co.
- 3. LAWS AND REGULATIONS:** Any and all supplies, services and equipment proposed and furnished will comply fully with all applicable Federal and State laws and regulations.
- 4. RECORDS ADMINISTRATION:** The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later.
- 5. AUDIT OF RECORDS:** The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.
- 6. CONFLICT OF INTEREST:** Contractor certifies that it has not offered or given any gift or compensation prohibited by the laws of the State of Utah to any officer or employee of the STATE or participating political subdivisions to secure favorable treatment with respect to being awarded this contract.
- 7. INDEPENDENT CONTRACTOR:** Contractor will be an independent Contractor, and as such will have no authorization, express or implied to bind the STATE to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for the STATE, except as expressly set forth herein. Compensation stated herein will be the total amount payable to the Contractor by the STATE. The Contractor will be responsible for the payment of all income tax and social security tax due as a result of payments received from the STATE for these contract services. Persons employed by the STATE and acting under the direction of the STATE will not be deemed to be employees or agents of the Contractor.
- 8. HOLD HARMLESS:** The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers.
- 9. EQUAL OPPORTUNITY CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.
- 10. SEVERABILITY:** If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
- 11. AMENDMENTS:** The terms of this contract will not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the State Director of Purchasing.
- 12. DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE.
- 13. CANCELLATION:** Unless otherwise stated in the special terms and conditions, any contract entered into as a result of this proposal may be canceled without cause by the STATE upon 60 days notice, in writing, prior to the effective date of the cancellation. Cancellation may be in whole or in part. Cancellation of the contract due to Contractor default may be immediate.
- 14. TAXES:** Proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is E33399. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of

**15. WARRANTY:** The Contractor agrees to warrant and assume responsibility for all products (including hardware, firmware, and/or software products) that it licenses, contracts, or sells to the State of Utah under this contract for a period of one year, unless otherwise specified and mutually agreed upon elsewhere in this contract. The Contractor (seller) acknowledges that all warranties granted to the buyer by the Uniform Commercial Code of the State of Utah apply to this contract. Product liability disclaimers and/or warranty disclaimers from the seller are not applicable to this contract unless otherwise specified and mutually agreed upon elsewhere in this contract. In general, the Contractor warrants that: (1) the product will do what the salesperson said it would do, (2) the product will live up to all specific claims that the manufacturer makes in their advertisements, (3) the product will be suitable for the ordinary purposes for which such product is used, (4) the product will be suitable for any special purposes that the STATE has relied on the Contractor's skill or judgement to consider when it advised the STATE about the product, (5) the product has been properly designed and manufactured, and (6) the product is free of significant defects or unusual problems about which the STATE has not been warned. Remedies available to the STATE include the following: The Contractor will repair or replace (at no charge to the STATE) the product whose nonconformance is discovered and made known to the Contractor in writing. If the repaired and/or replaced product proves to be inadequate, or fails of its essential purpose, the Contractor will refund the full amount of any payments that have been made. Nothing in this warranty will be construed to limit any rights or remedies the State of Utah may otherwise have under this contract.

**16. PARTICIPANTS:** This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the proposal.

**17. POLITICAL SUBDIVISION PARTICIPATION:** Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

**18. QUANTITY ESTIMATES:** The STATE does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for proposing purposes only and are not to be construed as a guarantee to purchase any amount.

**19. DELIVERY:** The prices proposed will be the delivered price to any state agency or political subdivision. All deliveries will be F.O.B. destination with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without charge.

**20. REPORTS:** The Contractor will submit quarterly reports to the State Purchasing Agent showing the quantities and dollar volume of purchases by each agency and political subdivision.

**21. PROMPT PAYMENT DISCOUNT:** Offeror may quote a prompt payment discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The prompt payment discount will apply to payments made with purchasing cards and checks. The date from which discount time is calculated will be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date will be the date of acceptance of the merchandise.

**22. FIRM PRICES:** Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening.

**23. PRICE GUARANTEE, ADJUSTMENTS:** The contract pricing resulting from this proposal will be guaranteed for the period specified. Following the guarantee period, any request for price adjustment must be for an equal guarantee period, and must be made at least 30 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State Director of Purchasing. The STATE will be given the immediate benefit of any decrease in the market, or allowable discount.

**24. ORDERING AND INVOICING:** Orders will be placed by the using agencies directly with the Contractor. All orders will be shipped promptly in accordance with the delivery guarantee. The Contractor will then promptly submit invoices to the ordering agency. The STATE contract number and the agency ordering number will appear on all invoices, freight tickets, and correspondence relating to the contract order. The prices paid by the STATE will be those prices on file with the Division of Purchasing. The STATE has the right to adjust any invoice reflecting incorrect pricing.

**25. PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments may be made via a State of Utah (or political subdivision) APurchasing Card.® All payments to the Contractor will be remitted by mail unless paid by Purchasing Card.

**26. MODIFICATION OR WITHDRAWAL OF PROPOSALS:** Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals, no proposals may be modified or withdrawn.

**27. PROPOSAL PREPARATION COSTS:** The STATE is not liable for any costs incurred by the offeror in proposal preparation.

**28. INSPECTIONS:** Goods furnished under this contract will be subject to inspection and test by the Buyer at times and places



determined by the Buyer. If the Buyer finds goods furnished to be incomplete or not in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph will adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

**29. PATENTS, COPYRIGHTS, ETC.:** The Contractor will release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or un-patented invention, article or appliance furnished or used in the performance of this contract.

**30. ASSIGNMENT/SUBCONTRACT:** Contractor will not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the State Director of Purchasing.

**31. DEFAULT AND REMEDIES:** Any of the following events will constitute cause for the STATE to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract. The STATE will issue a written notice of default providing a period in which Contractor will have an opportunity to cure. Time allowed for cure will not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, the STATE may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages; 4. Suspend Contractor from receiving future proposal solicitations.

**32. FORCE MAJEURE:** Neither party to this contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. The STATE may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

**33. HAZARDOUS CHEMICAL INFORMATION:** The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

**34. NON-COLLUSION:** By signing the proposal, the offeror certifies that the proposal submitted has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the request for proposal, designed to limit independent proposing or competition.

**35. PUBLIC INFORMATION:** Contractor agrees that the contract will be a public document, as far as distribution of copies, and Contractor gives the STATE express permission to make copies of the contract and/or of the response to the solicitation in accordance with the State of Utah Government Records Access and Management Act. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, or copyright information.

**36. CONFLICT OF TERMS:** In the event of any conflict between these standard terms and conditions and any special terms and conditions which follow, the special terms and conditions will govern.

**37. LOCAL WAREHOUSE AND DISTRIBUTION:** The Contractor will maintain a reasonable amount of stock warehoused in the State of Utah for immediate or emergency shipments. Shipments are to be made in the quantities as required by the various ordering agencies. Orders for less than the minimum specified amount will have transportation charges prepaid by the Contractor and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered will be shipped without charge.

Revision date: 3/14/2002

ATTACHMENT B  
SPECIAL TERMS AND CONDITIONS

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**1. CONTRACT COMPOSITION**

- A. Special Terms and Conditions, Standard Terms & Conditions, Attachments, referenced SLAs, and subsequent Amendments to the RFP/Contract.
- B. The Request for Proposal No. RM3903, including any and all addenda, tables, exhibits, attachments, and appendices.
- C. The Respondent response to the Request for Proposal, incorporated herein by reference as if set forth fully in this Contract.
- E. The Respondent Cost Proposal attached hereto and incorporated herein by reference.
- F. In the event of a conflict among the incorporated or attached documents, the order of precedence shall be as set forth above. The State reserves the right to clarify any contractual relationship in writing, with the concurrence of the Respondent, and such clarifications shall prevail.
- G. If this Contract is silent concerning an issue addressed in the Respondent proposal, no conflict in language shall be deemed to have occurred. Features or services presented in the Respondent's proposal but not required by the contract may be used at the option of the State.
- H. This Contract, in its final composite form, shall represent the entire agreement between the parties and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the parties relating to the subject matter hereof. This Contract between the parties shall be independent of and have no effect upon any other contracts of either party.

**2. CONTRACT NOTIFICATION**

- A. If under this contract, one party is required to give notice to the other, such notice shall be in writing, and may be communicated through facsimile, "E-Mail" or other electronic transmissions, provided the transmission is confirmed in a written and signed response facsimile, or electronic signature from an appropriate representative of the receiving party. Delivery may be by hand. If receipt is delivered by hand a signed receipt shall be obtained or if delivered by the United States mail, the notice must be sent by registered or certified mail, return receipt requested. Notices shall be effective upon receipt and shall be addressed as follows:
  - 1. Contractor Address shall be defined in proposal response.
  - 2. Agency address as defined in the SLA
- B. Either party may change its address for notification purposes by mailing a notice stating the change and setting forth the new address.

**3. FINANCIAL REQUIREMENTS**

- A. Fidelity Bond: Respondent shall provide a fidelity bond, satisfactory to State, in the amount of \$1,000,000.
- B. Taxes. - Respondent shall pay any state and federal sales, excise or other taxes or fees which may be levied upon the sale, transfer of ownership, installation or use of goods procured under the Contract, including any taxes assessed upon Respondent's net income. Said tax payments shall be made in accordance with state or federal law.

ATTACHMENT B  
SPECIAL TERMS AND CONDITIONS

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C. Insurance

1. Worker's Compensation Insurance: Contractor must provide Workmen's Compensation Insurance for all its employees. Contractor shall require the subcontractor to provide Workmen's Compensation Insurance in accordance with statutory requirements. Evidence of subs insurance shall be filed with the Contractor. The liability limit shall be at least \$100,000 per employee.
2. Prior to commencing services under the Contract, the Contractor must furnish the State certification from insurer(s) for coverage as stated below in the amounts set opposite each. Such coverage shall protect the Contractor from claims for and against any and all loss, liability, injury or damage including claims for property damage, any and all claims which may arise out of or result from the Contractor's operations required for the project, whether such operations be by the Contractor or by anyone directly or indirectly employed by them. Coverage requested shall be maintained in full force and effect during the term of the Contract. The State of Utah is to be named as an additional insured. The Contractor shall carry the following minimum insurance amounts, and must submit certificates as evidence of having this coverage prior to the start of work on the project:

Type of Insurance	Limit of Liability	Minimum - Each Occurrence
Comprehensive General Liability	Per Person - Per Event	\$1,000,000
Premises Operations	Each Occurrence	\$2,000,000
Contractual Independents Products/Completed Operations Hazard Personal Injurv	Property Damage or Bodily Injury and Property Damage Combined	\$1,000,000

3. Contractor shall arrange with its insurer for notice of cancellation of the required insurance coverage to be directed to the State in addition to any notices of cancellation that may be directed to the Contractor. The Contractor's insurer shall State in the certificate of insurance that no cancellation of the insurance is effective without at least 30 days prior written notice to the State. All insurance coverage required by this Contract shall provide coverage for all claims arising from activities occurring during the term of the policy regardless of the date the claim is filed or expiration of the policy.

5. **CONFIDENTIALITY**

- A. The Contractor must treat all information, and in particular information relating to taxpayers, all applicants for and recipients of human services, all applicants for Unemployment contributions and Unemployment overpayments, and providers of such services and their personnel, which it obtains by its performance under the Contract, as **private/confidential information, as provided under State and Federal law**. The IRS Publication 1075- Tax Information Security Guidelines for Federal, State and Local Agencies can be found on the Internet at <http://tax.utah.gov/purchasing/forms/forms.html>.
- B. No private or confidential data collected, maintained, or used in the course of performance of the Contract shall be disseminated except as authorized by statute, either during the period of the Contract or thereafter. The Contractor shall protect the information contained in any necessary database(s) and provide safeguards ensuring that the information will be used only for the following purposes:

ATTACHMENT B  
SPECIAL TERMS AND CONDITIONS

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1. Collecting Agency debt and locating individuals owing money to the Agency.
2. Allowing the Contractor to report updated information on referred receivables.
3. Allowing the Contractor to report on the initiated activities to collect delinquent receivables.
4. Allowing the Contractor to explain the basis for collection action to debtors.

Use of the information contained in any necessary database(s) for any purpose other than those stated above shall be considered a material breach of the confidentiality requirements of this Contract.

C. Contractor agrees:

1. That information provided by the Agency cannot be used to collect or locate any other debt except Agency debt. In addition, information provided by the ORS, State Tax Commission, Workforce Services, etc. may be limited to the use of collecting and/or locating that agency's receivables and when prohibited by law may not be used for the purpose of collecting receivables referred by other Agencies.
2. That no information can be disseminated except as authorized by statute, either during the period of the Contract or thereafter.
4. Not to use or permit the use of the names and/or addresses of receivables referred from the Agency for any commercial purpose.
5. The Contractor's employees shall sign Confidentiality Agreements provided by the Agency before gaining access to receivable information. The Contractor shall maintain a continuously updated file of copies of signed Confidentiality Agreements and forward the original copy to the Agency.
6. The Contractor agrees it will, if necessary, resist in judicial proceedings any efforts to obtain access to private or confidential records and shall assume full responsibility and liability for any damages, attorney fees, and court costs resulting from violation of information safeguarding requirements by its employees.

**6. PUBLICITY**

- A. Any publicity given to the program or series provided herein, including, but not limited to notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor, shall identify the Agency as the sponsor and shall not be released prior to approval by the Agency.
- B. The Contractor shall immediately, upon receipt of requests for public information, including but not limited to information concerning this Contract, concerning a Debtor, statistical, demographic or other information, direct the inquiry or request to the Agency. The Contractor shall not release any public information concerning this Contract or a debtor without the express consent of the Agency. Additionally, during the term of this Contract or any extension thereof, the Contractor shall not issue or cause to have issued, directly or indirectly, any press releases regarding the Agency, nor shall the Contractor, directly or indirectly, conduct interviews with members of the press concerning the affected Agency or the collection of receivables subject to this Contract without the prior knowledge of the Agency.

**7. DEFAULT - REMEDIES OF STATE**

ATTACHMENT B  
SPECIAL TERMS AND CONDITIONS

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- A. Should an Agency obtain a money judgment against the Contractor as a result of a breach of this Contract, the Contractor consents to such judgment being offset against monies owed the Contractor by the Agency under this Contract.
- B. Amounts due to an Agency as liquidated damages or any other damages may be deducted by the Agency without a judgment or any court action from any money payable to the Contractor pursuant to this Contract. The Agency shall notify the Contractor in writing of any claim for liquidated damages or any other damages on or before the date the Agency deducts such sums from money payable to the Contractor.
- C. If an Agency terminates this Contract for a breach of the Contract, the Contractor shall not be entitled to retention of pay files as outlined in Section 9 below.

**8. DEFAULT - REMEDIES OF CONTRACTOR**

Should the Contractor consider the State to be in default of its obligations, the Contractor shall issue a written notice of default providing therein for a 15 day period in which the State shall have an opportunity to cure, provided that cure is possible and feasible. If, after opportunity to cure, the default remains, the Contractor may exercise any remedy provided by law.

**9. RETENTION OF PAY FILES**

Except as otherwise provided herein, in the event that the Contract between the Contractor and an Agency expires, all receivables placed with the Contractor shall be returned to the Agency for enforcement. However, while an receivable remains in payment status (payments are made within thirty days of the date due), the Agency shall continue to pay the Contractor for collections received on the receivable for a period of 6 consecutive months following expiration of the Contract or until the receivable is paid in full whichever is earlier. In the event that a debtor breaches the payment Contract, the receivable will no longer be considered in payment status, and payment to the Contractor shall cease.

**10. JUDGMENTS**

The Agency shall satisfy all judgments that have been fully discharged by Debtors. The Contractor shall not induce a Debtor to pay a receivable upon a false promise or assurance that a judgment will be satisfied, nor is the Agency bound by assertions made by a Contractor to a Debtor that judgment will be satisfied. The Contractor shall not file any documents with any court or other entity that purports to satisfy a judgment on behalf of the Agency.

**11. BANKRUPTCY**

The filing of any bankruptcy procedure may be considered a breach of contract.

**12. OBLIGATIONS BEYOND CONTRACT TERM**

All obligations of an Agency and the Contractor incurred or existing under this Contract as of the date of expiration, termination or cancellation will survive the expiration, termination or cancellation of this Contract.

**13. MISCELLANEOUS**

ATTACHMENT B  
SPECIAL TERMS AND CONDITIONS

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The Respondent acknowledges that the Agencies may have current contracts with other Private Sector Collectors for the provision of services similar to those requested under the RFP. Additionally, the Respondent acknowledges that Utah law permits the Judiciary certain collection remedies including the right of the various county and State attorneys to collect fines and judgments. It shall not be considered a default by the State or a termination of this Contract for the State to place certain receivables for collection under the terms of the contracts with other Respondents, or for any State Agency including OSDC, USTC, ORS, Workforce Services and the Judiciary to pursue other collection remedies against Debtors.

APPENDIX A  
SHORT TERM RECEIVABLES AS OF 6-30-02  
BY STATE AGENCY

Following is a list of State receivables as of June 30, 2002. The purpose of the information is to provide background information to assist the respondent in developing the business plan and the associated costs for providing efficient and effective collection services. Not all receivables are delinquent and **IN NO WAY REPRESENT NOR SHOULD IT BE INTERPRETED BY THE Respondent TO REPRESENT RECEIVABLES AVAILABLE FOR OUTSOURCING.**

Agency/Department	Type of Receivable	Owed By	Amount	Percent > 90 Days Past Due	# of Receivables*
District Courts	Fines and Forfeitures, Licenses, Permits, Fee, Other	Individuals/Private Bus.	\$38,508,650.00	68.750%	# Not Avail
Juvenile Courts	Fines and Forfeitures, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus.	\$3,933,633.00	46.224%	# Not Avail
Capitol Preservation Board	Sale of Goods/Services	Individuals/Private Bus.	\$6,885.14	0.000%	1
Governor's Office	Federal Grants, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$6,349,229.12	0.379%	86
Attorney General	Federal Grants	Federal	\$185,268.00	0.000%	1
State Auditor	Sale of Goods/Services	Quasi/Local Gov.	\$12,750.00	0.000%	1
Dept of Admin. Services	Federal Grants, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$2,453,846.53	44.670%	5337
Office of St. Debt Collect.	Fines and Forfeitures, Interest and Penalties	Individuals/Private Bus.	\$12,146,569.00	98.873%	39524
Tax Commission	Taxes, Federal Grants, Interest and Penalties	Individuals/Private Bus., Federal	\$168,150,304.01	90.165%	115044
Department of Public Safety	Federal Grants, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Other	\$10,489,987.06	0.149%	268
Utah National Guard	Federal Grants	Federal	\$3,834,325.30	0.000%	89
Dept. of Human Services	Federal Grants, Other	Quasi/Local Gov., Federal, Other	\$1,727,510.00	12.504%	128
Human Services - ORS	Other	Individuals/Private Bus.	\$393,176,124.00	50.992%	66533
Department of Health	Federal Grants, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$55,872,075.36	0.997%	8085
Building Board Construction	Other	Individuals/Private Bus., Quasi/Local Gov.	\$3,130,173.19	1.555%	32
Board of Education	Federal Grants, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$20,668,941.46	0.013%	198
Department of Corrections	Contracts and Loans, Fines and Forfeitures, Interest and Penalties, Licenses, Permits, Fee, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$68,476,255.45	0.308%	24652
Dept Environmental Quality	Federal Grants, Interest and Penalties, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal	\$1,706,781.58	26.575%	620
Board of Regents	Other	Individuals/Private Bus., Quasi/Local Gov.	\$459,499.00	0.000%	4
School & Inst Trust Lands Admn	Contracts and Loans	Individuals/Private Bus.	\$3,014,217.00	0.000%	130

APPENDIX A  
SHORT TERM RECEIVABLES AS OF 6-30-02  
BY STATE AGENCY

Natural Resources	Federal Grants, Interest and Penalties, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$10,556,200.19	2.095%	836
Dept. of Agriculture and Foods	Federal Grants, Licenses, Permits, Fee, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal	\$1,003,023.14	0.562%	309
Dept of Workforce Services	Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal	\$704,432.12	1.420%	33
Empl. Unemploy. Ins. Contrib.	Taxes, Interest and Penalties, Other	Individuals/Private Bus., Quasi/Local Gov.	\$8,240,370.00	79.604%	6076
Alcoholic Beverage Control	Claims and Damage, Sale of Goods/Services	Individuals/Private Bus., Federal	\$933,066.00	25.934%	325
Labor Commission	Fines and Forfeitures, Licenses, Permits, Fee, Other	Individuals/Private Bus., Quasi/Local Gov., Federal	\$3,961,003.58	94.518%	2293
Department of Commerce	Fines and Forfeitures, Licenses, Permits, Fee, Other	Individuals/Private Bus.	\$277,432.01	77.968%	640
Financial Institutions	Licenses, Permits, Fee	Individuals/Private Bus.	\$250.00	0.000%	1
Insurance Department	Other	Individuals/Private Bus.	\$24,532.00	0.000%	14
Community Economic Devel.	Federal Grants, Sale of Goods/Services, Other	Individuals/Private Bus., Quasi/Local Gov., Federal, Other	\$3,348,551.58	8.193%	158
Utah Dept of Transportation	Claims and Damage, Contracts and Loans, Federal Grants, Sale of Goods/Services, Other	Individuals/Private Bus., Federal, Other	\$79,082,384.17	2.388%	10
			<u>\$902,434,268.99</u>	<u>45.232%</u>	<u>271,428</u>



APPENDIX B  
RECEIVABLES OUTSOURCED AT 6-30-02  
BY STATE AGENCY

AGENCY	DIVISION	Dollars Placed	Dollars Collected	% Resolved
Judicial Branch	1st District Court Brigham City	\$787,763.45	\$46,759.78	5.94%
Judicial Branch	1st District Court Juvenile Court	\$27,951.07	\$1,849.45	6.62%
Judicial Branch	1st District Court Logan	\$1,180,962.01	\$50,986.59	4.32%
Judicial Branch	1st District Court Randolph	\$18,295.41	\$40.41	0.22%
Judicial Branch	2nd District Court Bountiful	\$396,661.20	\$34,515.18	8.70%
Judicial Branch	2nd District Court Farmington	\$3,088,229.14	\$78,962.13	2.56%
Judicial Branch	2nd District Court Juvenile Court	\$156,519.91	\$3,120.05	1.99%
Judicial Branch	2nd District Court Layton	\$1,016,472.22	\$79,789.79	7.85%
Judicial Branch	2nd District Court Morgan	\$108,291.79	\$1,505.42	1.39%
Judicial Branch	2nd District Court Ogden	\$6,714,463.55	\$410,388.81	6.11%
Judicial Branch	2nd District Court Roy	\$463,634.53	\$68,743.61	14.83%
Judicial Branch	3rd District Court Coalville	\$80,050.11	\$706.69	0.88%
Judicial Branch	3rd District Court Juvenile Court	\$83,290.19	\$352.62	0.42%
Judicial Branch	3rd District Court Murray	\$3,546,501.18	\$197,848.47	5.58%
Judicial Branch	3rd District Court Park City	\$553,001.18	\$20,459.11	3.70%
Judicial Branch	3rd District Court Sandy	\$667,650.81	\$7,420.97	1.11%
Judicial Branch	3rd District Court Salt Lake	\$17,949,000.22	\$1,028,975.55	5.73%
Judicial Branch	3rd District Court Tooele	\$221,388.41	\$800.10	0.36%
Judicial Branch	3rd District Court West Valley	\$3,557,103.50	\$287,379.95	8.08%
Judicial Branch	4th District Court American Fork	\$471,260.11	\$72,534.24	15.39%
Judicial Branch	4th District Court Fillmore	\$89,473.33	\$12,169.72	13.60%
Judicial Branch	4th District Court Heber City	\$233,089.67	\$12,915.60	5.54%
Judicial Branch	4th District Court Juvenile Court	\$13,980.48	\$66.16	0.47%
Judicial Branch	4th District Court Nephi	\$84,495.52	\$6,856.02	8.11%
Judicial Branch	4th District Court Orem	\$2,031,083.99	\$282,613.21	13.91%
Judicial Branch	4th District Court Provo	\$6,047,295.21	\$504,477.08	8.34%
Judicial Branch	4th District Court Spanish Fork	\$437,042.82	\$70,400.19	16.11%
Judicial Branch	5th District Court Beaver	\$198,151.34	\$6,887.15	3.48%
Judicial Branch	5th District Court Cedar City	\$627,195.64	\$21,878.57	3.49%

APPENDIX B  
RECEIVABLES OUTSOURCED AT 6-30-02  
BY STATE AGENCY

Judicial Branch	5th District Court Juvenile Court	\$282,843.01	\$16,384.45	5.79%
Judicial Branch	5th District Court St. George	\$1,488,547.63	\$65,469.06	4.40%
Judicial Branch	6th District Court Panguitch	\$6,749.51	\$163.11	2.42%
Judicial Branch	6th District Court Juvenile Court	\$32,517.23	\$2,162.64	6.65%
Judicial Branch	6th District Court Junction	\$1,496.27	\$0.00	0.00%
Judicial Branch	6th District Court Kanab	\$120,492.44	\$14,934.42	12.39%
Judicial Branch	6th District Court Loa	\$4,273.77	\$203.49	4.76%
Judicial Branch	6th District Court Manti	\$1,168,359.37	\$17,864.98	1.53%
Judicial Branch	6th District Court Richfield	\$881,346.86	\$50,763.14	5.76%
Judicial Branch	7th District Court Castle Dale	\$132,995.22	\$12,764.77	9.60%
Judicial Branch	7th District Court Carbon	\$152.36	\$0.00	0.00%
Judicial Branch	7th District Court Moab	\$372,141.23	\$12,111.68	3.25%
Judicial Branch	7th District Court Juvenile Court	\$28,911.10	\$846.05	2.93%
Judicial Branch	7th District Court Monticello	\$140,217.21	\$13,286.04	9.48%
Judicial Branch	7th District Court Price	\$410,904.13	\$55,012.66	13.39%
Judicial Branch	8th District Court Duchesne	\$504,677.16	\$10,088.96	2.00%
Judicial Branch	8th District Court Juvenile Court	\$96,083.48	\$3,262.68	3.40%
Judicial Branch	8th District Court Manila	\$3,080.16	\$0.00	0.00%
Judicial Branch	8th District Court Roosevelt	\$447,405.72	\$40,116.49	8.97%
Judicial Branch	8th District Court Vernal	\$635,098.40	\$24,764.13	3.90%
<b>Judicial Branch Total</b>	All	\$57,608,590.25	\$3,651,601.37	6.34%
<b>Governor's Office Total</b>	All	\$930.73	\$76.72	8.24%
<b>Science Center Authority Total</b>	All	\$50.00	\$0.00	0.00%
<b>Administrative Services Total</b>	All	\$910,364.03	\$157,664.93	17.32%
<b>Public Safety Total</b>	All	\$34,124.60	\$3,834.96	11.24%
<b>Health Total</b>	All	\$74,268.21	\$14,570.74	19.62%
Human Services	CHILD & FAMILY SUPPORT ST OFF TRAINING	\$120.00	\$0.00	0.00%
Human Services	FINANCE	\$1,277.13	\$1,274.42	99.79%
Human Services	Office of Recovery Services	\$27,267,879.42	\$80,568.45	0.30%
<b>Human Services</b>	All	\$27,269,276.55	\$81,842.87	0.30%

APPENDIX B  
RECEIVABLES OUTSOURCED AT 6-30-02  
BY STATE AGENCY

<b>Total</b>				
<b>Public Education Total</b>	All	\$18,903.74	\$2,539.69	13.43%
<b>DEQ Total</b>	All	\$105,522.39	\$28,083.83	26.61%
<b>Natural Resources Total</b>	All	\$13,265.37	\$672.04	5.07%
<b>Agriculture Total</b>	All	\$405.16	\$0.00	0.00%
<b>Workforce Services Total</b>	All	\$13,239.76	\$887.24	6.70%
<b>Labor Commission Total</b>	All	\$460,947.13	\$87,598.58	19.00%
<b>Commerce Total</b>	All	\$1,059,363.59	\$84,333.96	7.96%
<b>Community and Economic Dev. Total</b>	All	\$60,371.75	\$607.62	1.01%
<b>DOT Total</b>	All	\$1,438,149.39	\$290,166.11	20.18%
<b>Corrections Total</b>	All	\$255,034.47	\$13,269.61	5.20%
Tax Commission	Tax Commission	\$76,981,847.28	\$4,435,669.35	5.76%
<b>Tax Commission Total</b>	All	\$76,981,847.28	\$4,435,669.35	0.00%
<b>Admin. Office of the Courts Total</b>	All	\$7,785.28	\$888.96	11.42%
Workforce Services	Benefit Overpayment	\$4,708,891.35	\$111,947.09	2.38%
Workforce Services	Employer Accounts	\$1,027,002.66	\$27,342.50	2.66%
<b>Workforce Services Total</b>	All	\$5,735,894.01	\$139,289.59	2.43%
<b>Grand Total</b>	All	\$172,048,333.69	\$8,993,598.17	5.23%

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**63A-8-101. Definitions.**

As used in this chapter:

- (1) (a) "Receivables receivable" or "receivables" means any amount due the state from an entity for which payment has not been received by the state agency that is servicing the debt.
- (b) "Receivables receivable" includes unpaid fees, licenses, taxes, loans, overpayments, fines, forfeitures, surcharges, costs, contracts, interest, penalties, restitution to victims, third-party claims, sale of goods, sale of services, claims, and damages.
- (2) "Administrative offset" means:
  - (a) a reduction of an individual's tax refund or other payments due to the individual to reduce or eliminate receivables receivable that the individual owes to the state; and
  - (b) a reduction of an entity's tax refund or other payments due to the entity to reduce or eliminate receivables receivable that the entity owes to the state.
- (3) "Board" means the advisory board created by this chapter.
- (4) "Entity" means an individual, a corporation, partnership, or other organization that pays taxes to or does business with the state.
- (5) "Office" means the Office of State Debt Collection established by this chapter.
- (6) "Past due" means any receivables receivable that the state has not received by the payment due date.
- (7) (a) "State agency" includes any department, division, commission, council, board, bureau, committee, office, or other administrative subunit of Utah state government, including the legislative and judicial branches of state government.
- (b) "State agency" does not include:
  - (i) any institution of higher education; or
  - (ii) except in Subsection **63A-8-201(7)(g)**, the State Tax Commission.
- (8) "Writing-off" means the removal of an receivables receivable from an agency's receivables receivable records but does not necessarily eliminate further collection efforts.

Amended by Chapter 135, 2002 General Session

**63A-8-201. Office of State Debt Collection created – Duties.**

- (1) The state and each state agency shall comply with the requirements of this chapter and any rules established by the Office of State Debt Collection.
- (2) There is created the Office of State Debt Collection in the Department of Administrative Services.
- (3) The office shall:
  - (a) have overall responsibility for collecting and managing state receivables;
  - (b) develop consistent policies governing the collection and management of state receivables;
  - (c) oversee and monitor state receivables to ensure that state agencies are:
    - (i) implementing all appropriate collection methods;
    - (ii) following established receivables guidelines; and
    - (iii) accounting for and reporting receivables in the appropriate manner;
  - (d) develop policies, procedures, and guidelines for accounting, reporting, and collecting monies owed to the state;
  - (e) provide information, training, and technical assistance to all state agencies on various collection-related topics;
  - (f) write an inclusive receivables management and collection manual for use by all state agencies;
  - (g) prepare quarterly and annual reports of the state's receivables;
  - (h) create or coordinate a state receivables receivable database;
  - (i) develop reasonable criteria to gauge state agencies' efforts in maintaining an effective receivables receivable program;
  - (j) identify those state agencies that are not making satisfactory progress toward implementing

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collection techniques and improving receivables receivable collections;

(k) coordinate information, systems, and procedures between state agencies to maximize the collection of past-due receivables receivable;

(l) establish an automated cash receipt process between state agencies;

(m) establish procedures for writing off receivables receivable for accounting and collection purposes;

(n) establish standard time limits after which an agency will delegate responsibility to collect state receivables to the office or its designee;

(o) be a real party in interest for an receivable account referred to the office by any state agency; and

(p) allocate monies collected for judgments registered under Section **77-18-6** in accordance with Sections **63-63a-2**, **63A-8-302**, and **78-3-14.5**.

(4) The office may:

(a) recommend to the Legislature new laws to enhance collection of past-due receivables by state agencies;

(b) collect receivables accounts for higher education entities, if the higher education entity agrees;

(c) prepare a request for proposal for consulting services to:

(i) analyze the state's receivable management and collection efforts; and

(ii) identify improvements needed to further enhance the state's effectiveness in collecting its receivables;

(d) contract with private or state agencies to collect past-due receivables;

(e) perform other appropriate and cost-effective coordinating work directly related to collection of state receivables;

(f) obtain access to records of any state agency that are necessary to the duties of the office by following the procedures and requirements of Section **63-2-206**;

(g) by following the procedures and requirements of Section **63-38-3.2** establish:

(i) a fee to cover the administrative costs of collection, on receivables administered by the office;

(ii) a late penalty fee that may not be more than 10% of the receivable account on receivables administered by the office;

(iii) an interest charge that is:

(A) the post-judgment interest rate established by Section **15-1-4** in judgments established by the courts; or

(B) not more than 2% above the prime rate as of July 1 of each fiscal year for receivables receivable for which no court judgment has been entered;

(iv) fees to collect receivables receivable for higher education;

(h) make rules that allow receivables receivable to be collected over a reasonable period of time and under certain conditions with credit cards;

(i) file a satisfaction of judgment in the district court by following the procedures and requirements of the Utah Rules of Civil Procedure;

(j) ensure that judgments for which the office is the judgment creditor are renewed, as necessary; and

(k) notwithstanding Section **63-2-206**, share records obtained under Subsection (4)(f) with private sector vendors under contract with the state to assist state agencies in collecting debts owed to the state agencies without changing the classification of any private, controlled, or protected record into a public record.

(5) The office shall ensure that:

(a) a record obtained by the office or a private sector vendor as referred to in Subsection (4)(k):

(i) is used only for the limited purpose of collecting receivables receivable; and

(ii) is subject to federal, state, and local agency records restrictions; and

(b) any person employed by, or formerly employed by, the office or a private sector vendor as referred to in Subsection (4)(k) is subject to:

(i) the same duty of confidentiality with respect to the record imposed by law on officers and employees of the state agency from which the record was obtained; and

(ii) any civil or criminal penalties imposed by law for violations of lawful access to a private, controlled, or protected record.

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(6) (a) The office shall collect receivables receivable ordered by the district court as a result of prosecution for a criminal offense that have been transferred to the office under Subsection **76-3-201.1(5)(h)** or (8).

(b) The office may not assess the interest charge established by the office under Subsection (4) on an receivable subject to the post-judgment interest rate established by Section **15-1-4**.

(7) The office shall require state agencies to:

(a) transfer collection responsibilities to the office or its designee according to time limits established by the office;

(b) make annual progress towards implementing collection techniques and improved receivables receivable collections;

(c) use the state's receivables receivable system or, with the consent of the board, develop systems that are adequate to properly receivable for and report their receivables;

(d) develop and implement internal policies and procedures that comply with the collections policies and guidelines established by the office;

(e) provide internal receivables receivable training to staff involved in their management and collection of receivables as a supplement to statewide training;

(f) bill for and make initial collection efforts of its receivables up to the time the receivables must be transferred; and

(g) submit quarterly receivable reports to the office that identify the age, collection status, and funding source of each receivable.

(8) The office shall use the information provided by the agencies and any additional information from the office's records to compile a one-page summary report of each agency.

(9) The summary shall include:

(a) the type of revenue that is owed to the agency;

(b) any attempted collection activity; and

(c) any costs incurred in the collection process.

(10) The office shall annually provide copies of each agency's summary to the governor and to the Legislature.

Amended by Chapter 135, 2002 General Session

**63A-8-202. Advisory Board created -- Duties.**

(1) There is created the Advisory Board to the Office of State Debt Collection.

(2) The director of the Department of Administrative Services, the director of the Division of Finance, the attorney general, the Utah state auditor, the Utah state treasurer, and the director of the Governor's Office of Planning and Budget shall each appoint a person from their organization to serve on the board for four-year terms.

(3) (a) The Department of Administrative Services appointee shall serve as chair.

(b) The board may vote to expand the board to include members from other agencies.

(4) When a vacancy occurs in the membership for any reason, the replacement shall be appointed for the un-expired term.

(5) (a) State government officer and employee members who do not receive salary, per diem, or expenses from their agency for their service may receive per diem and expenses incurred in the performance of their official duties from the board at the rates established by the Division of Finance under Sections **63A-3-106** and **63A-3-107**.

(b) State government officer and employee members may decline to receive per diem and expenses for their service.

(6) (a) The board shall advise the office about its receivables process and practices.

(b) The board may recommend to the Legislature any changes in existing law that would improve the collection of past-due receivables in the state.

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Amended by Chapter 243, 1996 General Session

**63A-8-203. Legal services.**

The Office of the Attorney General shall:

- (1) provide to the office all legal services and advice related to the collection of receivables receivable owed to the state; and
- (2) establish, with the concurrence of the board, policies governing:
  - (a) legal matters involving receivables receivable; and
  - (b) litigation of past-due receivables receivable.

Enacted by Chapter 354, 1995 General Session

**63A-8-204. Rulemaking authority -- Collection techniques.**

The office shall establish rules to govern collection techniques, which may include the use of:

- (1) credit reporting bureaus;
- (2) collection agencies;
- (3) garnishments;
- (4) liens;
- (5) judgments; and
- (6) administrative offsets.

Enacted by Chapter 354, 1995 General Session

**63A-8-301. State Debt Collection Fund.**

- (1) There is created an internal service fund entitled the "State Debt Collection Fund."
- (2) The fund shall be governed by the provisions for internal service funds in Section **63-38-3.5**.
- (3) The fund consists of:
  - (a) all amounts appropriated to the fund under this chapter;
  - (b) fees and interest established by the office under Subsection **63A-8-201** (4)(g); and
  - (c) except as otherwise provided by law, all post-judgment interest collected by the office or the state except post-judgment interest on restitution.
- (4) Monies in this fund shall be used to offset systems, administrative, legal, and other collection costs of the office or the state agency.
- (5) (a) The fund may collect interest.  
(b) All interest earned from the fund shall be deposited in the General Fund.
- (6) The office shall ensure that monies remaining in the fund at the end of the fiscal year that are not committed to offsets are deposited into the General Fund.

Amended by Chapter 135, 2002 General Session

**63A-8-302. Allocation of funds.**

- (1) Except as provided in Subsection (2), the monies collected by the office less the office's fees shall be allocated on a prorated basis to the various revenue types that generated the receivables receivable.
- (2) Notwithstanding the requirements of Subsection (1):
  - (a) federal cost allocation requirements for specific receivables receivable related to programs that are supported by federal funds take precedence over other cost allocation methods provided in this section; and
  - (b) the office shall use interest and fees collected on past due receivables receivable as provided in Section **63A-8-301**.

Amended by Chapter 279, 1999 General Session

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**Service Level Agreement for Tax Debt Assigned to CONTRACTOR**  
**By the Utah State Tax Commission**

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**Service Level Agreement:**

Service Level Agreement (SLA) is a binding agreement between the Agency (hereafter Utah State Tax Commission or USTC) and the CONTRACTOR. The SLA provides detail about the level of service and services to be preformed by the CONTRACTOR for USTC and associated detail not covered in the basic contract, terms and conditions.

**Desired Result:**

Tax Commission desires to supplement collection resources and increase delinquent revenue collection of State of Utah tax debt by utilizing CONTRACTOR for this service, and by regularly placing cases with CONTRACTOR. In addition to the existing terms and conditions of the contract with the State of Utah, the Utah State Tax Commission desires to set a goals in revenue collection as measured by deposits, compliance with performance standards as measured by audit, and resolved cases as measured through return codes.

**Guidelines:**

It is agreed between Utah State Tax Commission, herein this Service Level Agreement (SLA) referred to as "USTC" and CONTRACTOR that:

1. Work performed by CONTRACTOR representatives and their systems will meet Minimum Collection Performance Standards provided by the CONTRACTOR in their proposal. These Collection Performance Standards and modifications herein will be used by the USTC in the annual audit of CONTRACTOR.
2. Work performed by CONTRACTOR representatives will be measured by the number of cases returned as:
  - Resolved through payment in full
  - Resolved with no payment
  - Partially resolved (partial payment) and returned uncollectible
  - Client Request
  - Hardship
  - Efforts Exhausted
  - Skip – Unable to Locate
  - Small Balance
  - Refusal to Pay by Debtor
  - Missing Debt
  - Bankruptcy
  - Debtor Deceased

This will be verified through sampling of returned work, and in annual audit
3. Work performed by CONTRACTOR will be monitored by revenue collection
4. Work performed by CONTRACTOR will be evaluated based on customer complaints and issues



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5. Performance Standards: In addition to the Performance Standards outlined in RFP and responded to by CONTRACTOR proposal, the following are additional performance standards specific to USTC:
- CONTRACTOR will staff one (1) agent per X,000 Tax Commission cases verified monthly to the USTC
  - USTC and CONTRACTOR will regularly verify the full inventory and resolve any discrepancies as defined below
  - USTC and CONTRACTOR will provide cross-training to enhance understanding of procedures, processes, regulations and applicable laws
  - Regular meetings will be scheduled to discuss progress towards desired results and resolve any issues outstanding
  - Offers of settlement or compromise, waiver of penalty and/or interest, and garnishment are valid resolution processes. CONTRACTOR may not accept offers of settlement, waiver request or take garnishment action to resolve debt but may facilitate USTC in supporting these processes as defined below
  - All files transferred shall be in electronic format and in the stated requirements below

**Resources:**

- The CONTRACTOR and USTC are resources to each other in communicating and resolving issues;
- The CONTRACTOR has financial resources through contract fee based on collections
- USTC staff assigned to audit will require training from CONTRACTOR staff to accurately review data and verify performance
- USTC Contact information:
  - Daily Issues: XXXXXXXXXXXX, Compliance Agent, 801-297-XXXX
  - Management Issues: Gaylin Ford, Compliance Supervisor, 801-297-6224
  - Contractual/Administrative Issues: Wendy Gianchetta, Taxpayer Service Assistant Director, 801-297-6336
- CONTRACTOR Contact Information:
  - XXX

**Accountability:**

- Dates, timelines and verification of completion will be required by CONTRACTOR
- Annual audit by USTC

**Consequences:**

Should USTC determine that the stated measurements, standards or guidelines have not been met, then USTC shall provide written notice to CONTRACTOR via the Contract Administrator/Manager as required by the contract or to a designated representative as incorporated into the Contract. Written notice may be provided via email followed by facsimile. CONTRACTOR shall substantially cure such deficiency within 60 days from the date of receipt of the notice. However, nothing contained herein shall alter or replace any terms or conditions as provided in the primary contract or any amendments thereto. Unresolved issues may influence the frequency and size of future placements.

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## **Work Requirements:**

### **1. Offer-In-Compromise / Waiver Procedures**

An 'Offer-In-Compromise' (OIC) is the settlement of a tax liability for less than full payment when it is determined that no other means is available to the Tax Commission to collect the full amount. The taxpayer has the burden of proof to establish the grounds of the settlement, and must provide sufficient documentation to prove the case. The taxpayer does not have a legal right to have the tax liability settled through an OIC

- a. CONTRACTOR is not allowed to accept as resolution any OIC without review and approval by USTC
- b. The taxpayer must provide all information to CONTRACTOR prior to the USTC reviewing the offer
- c. The CONTRACTOR is responsible for collecting all the proper paperwork (as defined by the USTC in training material) from the taxpayer or the offer will be void and unable to process

A 'Waiver' is a reduction or abatement of penalty and/or interest based on meeting 'reasonable cause' criteria and will be handled similarly to an OIC

- a. CONTRACTOR is not allowed to accept as resolution any Waiver request without review and approval by USTC
- b. CONTRACTOR will be held accountable in receiving the proper information (as defined by the USTC in training material) and forwarding the request on to the USTC for consideration

### **2. Garnishments**

- a. Garnishment requests must be made in the form of USTC guidelines
- b. All garnishment requests must be made on the form **Garn Request.doc**
- c. Employer / Bank information must have been verified within the past 30 days
- d. Requests for garnishments may not be made until the minimum requirements have been met: Three phone calls (attempted verbal contacts), Three Letters;
- e. A lien must be filed on the case in order to proceed with a garnishment

### **3. Bankruptcy**

Cases for which the taxpayer has filed bankruptcy will be pulled from the CONTRACTOR to facilitate proper coding and claim filing

### **4. Return Date Age Criteria**

- a. While a case is assigned to CONTRACTOR, a debt may age to over 10 years old. If all periods on the case are over 10 years old, the case must be returned to the USTC immediately
- b. If the case has one or more periods that DO NOT meet the 10 year requirement and one or more periods that do, and the case is in an active pay status the case may remain assigned until paid in full
- c. If the taxpayer refuses to pay on a debt over 10 years old (item (b) above), CONTRACTOR is still required to collect on any period that is less than 10 years old and may then return the case when the only period(s) remaining are over 10 years
- d. If work standards have been met without case resolution, the case should be returned to USTC regardless of age as unable to collect

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- e. Cases with no contact or agreements in place that have aged one-year since initial placement or six-month since second placement should be returned to the USTC as unable to collect
- 5. Fair Debt Collection Practices Act
  - a. Third-Party Collection Agencies collecting on government taxes are not held to the Fair Debt Collection Practices Act, however, the USTC expects the same behavior to be followed in order to ensure Utah taxpayers are treated fairly and respectfully in accordance with the act and in alignment with USTC Vision
  - b. The CONTRACTOR shall supply the USTC with a copy of any internal policies that directly affect efforts on tax debt assigned to the CONTRACTOR
- 6. Employee Confidentiality – also refer to Attachment in the Contract.
  - a. Prior to accessing cases, USTC must have on file a confidentiality agreement from each member of CONTRACTOR staff that will be allowed to access Utah cases
  - b. CONTRACTOR will maintain a list of authorized users and is subject to audit at any time by the USTC
  - c. New authorized users will also be subject to contractual training requirements within 14 days, including requirement to have a signed form indicating that they have read and understand the training packet provided from USTC via CONTRACTOR
- 7. Installment Agreement
  - USTC has no specific guidelines for the CONTRACTOR with regard to installment (re-payment) agreements. Refer to Return Date Age Criteria.

## **System Interfaces and Data Requirements:**

The USTC requires systems interfaces or data transfers to be handled through electronic processes whenever possible, and in secure environment. With multiple vendors it requires strict adherence to a calendar to ensure data is not erroneously lost by file overlays.

- 1. Electronic File Transfers
  - All electronic files must comply with formats defined by the Utah State Tax Commission. Any electronic files that do not comply with the defined format will be void and a corrected file will be requested.
- 2. Placements
  - a. USTC will make case placements on a monthly basis providing performance standards are currently being met by CONTRACTOR and no technical issues or business reasons warrant not making a monthly placement. Should issues warrant monthly placements to be cancelled, USTC will notify CONTRACTOR in writing via email of the business reasons and expected resolution to scheduled placements
  - b. The CONTRACTOR will be required to retrieve from a specified directory within the USTC the placement file and then process through their system in an electronic format in order to place cases
  - c. Placements will consist of initial placements, second placements, new debts and client information. Second Placements refers to case previously placed with another CONTRACTOR. New Debts refers to new debts being assigned for a case already assigned to the CONTRACTOR and New Debts on cases previously assigned and returned by the CONTRACTOR. Client Information refers to demographic and other related case information.

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3. Acknowledgement Reporting
  - a. With every placement return an **Interface Error Report, YUTCACKS** (Case Report), and **YUTCACKD** (Debt Report) in an electronic format
  - b. All cases and debts must be accounted for
  - c. Reactivating cases is not allowed, not even to post a payment that has come in since the case went inactive
  - d. Placement reports are to be returned the same day of the placement to avoid loss of placement data, except where otherwise noted
  - e. CONTRACTOR will resolve discrepancies with USTC within two days of placement reporting
4. Limitation on Use of Data

To maintain compliance with Disclosure USTC data cannot be merged with and/or used to benefit the collection efforts of other contracted clients, including other clients from the State of Utah.
5. Deposits

Deposits and file transfers must be timely on a twice monthly basis as outlined in calendar provided by USTC and the **Schedule of Deposits and Transmissions.xls**
6. Return Mail

Placement files indicate cases with return mail through a specific code. These cases require skip work be completed before the initial letter is sent
7. Transmission of Files
  - a. CONTRACTOR is required to transmit three (3) files twice monthly, they are as follows:
    1. **Payments.txt** – Payments File indicating all payments received during a set time period
    2. **Uptran.txt** – Demographics Update
    3. **Notes.txt** – All notes included in a case that is being returned during the transmission
  - b. BAK Directory – CONTRACTOR is required to place a copy of each file that it transmits to the USTC for back-up reasons. This folder is located in the directory assigned to CONTRACTOR
    1. Saved as filename: **PMMDDYY.txt** (Payments)
    2. Saved as filename: **NMMDDYY.txt** (Notes / History)
    3. Saved as filename: **UMMDDYY.txt** (Demographics)
8. Notes / History
  - a. All case notes must be included upon returning the case
  - b. Only approved 'Reason Codes' may that accurately reflect the status, and may be audited for accuracy by USTC
  - c. Notes files will be transmitted under the filename: **notes.txt**
9. Demographics
  - a. All new address information must be returned in the first transmission file since the update;
  - b. Demographics file will be transmitted under the filename: **uptran.txt**
10. Recalls
  - a. Cases must be held for 30 days from the inactive date prior to returning a case

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- b. USTC may request a case be “pulled,” placed on a “hold” status, or “recalled” for either business or political purposes (ex. Bankruptcies, sent in error, Offer in Compromises, Zero Balance, Adjustments, Filing of Returns);
  - c. Any cases returned at the request of the USTC will be removed from the placement total upon which the collection rate is based

**11. Checks / Return Checks**

- a. The standard return check fee allowed by the State of Utah may be collected, but additional fees may not
- b. CONTRACTOR are allowed to hold checks for 18 days

**12. Payments / Payment Application Sequence**

CONTRACTOR is required to apply payment in the same manner as the USTC to comply with statute, and in the interest of all Utah citizens. Deviation from this is in conflict with Utah statute and will cause out-of-balance situations and inappropriate payoffs. The CONTRACTOR is liable to make the USTC whole for inappropriate payoffs exceeding \$25

- a. Post payments to a specific filing period and tax type if instructed specifically by the taxpayer
- b. Without instructions from the taxpayer, apply payments to the oldest filing period within the tax type
- c. If multiple tax types exist for a given taxpayer, use the following hierarchy
  - 1. Sales Tax
  - 2. Withholding Tax
  - 3. Other taxes
  - 4. Individual Income Tax
- d. Within each filing period, payments must always apply first to penalty, then interest, and finally to tax (or principle)
- e. Payments must be returned in the first payment file (payments.txt) after the payment was made with the exception of checks
- f. Payments shall not be accepted with a restrictive endorsement (ex. PIF, full payment, no balance due)
- g. CONTRACTOR is responsible to ensure all payoff amounts given are correct. Should an incorrect payoff be given, CONTRACTOR will be held responsible for the remaining liability due to the USTC

**13. Interest**

In accordance with Utah Code 59-1-402, effective October 12, 1993, the calendar year interest rate for all tax types referred by the Tax Commission shall be 2 percent above the Federal short term rate that was in effect for the prior calendar year's fourth quarter. CONTRACTOR will be notified by October each year of the coming year's interest rate.

**Blended Interest:** When interest is to be calculated for a length of time spanning multiple interest rate periods, interest (truncated at three decimal places) is calculated for the number of days in each rate period, divided by 365, rounded to 2 decimal places, and then summed.

**Interest Formula:**

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$$\left[ \left( \text{Unpaid Tax (PRINCIPAL\_AMT)} \times \text{Interest Rate} \times \text{Number of days since PROJ\_INT\_DATE} \right) / 365 \right] = \text{Additional interest}$$

Notes:

- Date value of 01/01/1900 indicates a null date
- If the value of PROJ\_INT\_DATE is null, use the LAST\_INTEREST\_DATE to calculate interest
- If the value of LAST\_INTEREST\_DATE field is null, use the ASSESSMENT\_DATE to calculate interest

**Daily Interest Formula:**

$$\text{Unpaid Tax (PRINCIPAL\_AMT)} \times \text{Interest Rate} / 365 = \text{Daily Interest}$$

**UTAH STATE TAX COMMISSION**  
**INTEREST SCHEDULE AND CALCULATION INSTRUCTIONS**  
**THROUGH 2002**

<b>Interest Rate Table</b>			
Beginning Date		Ending Date	Interest Rate
01/01/50		10/11/93	12%
10/12/93		12/31/94	6%
01/01/95		12/31/1998	8%
01/01/1999		12/31/2000	7%
01/01/2001		12/31/2001	8%
01/01/2002		12/31/2002	6%
01/01/2003		12/31/2003	5%

**14. Penalty**

In most cases, appropriate penalty will be assessed at the time of placement. **How do we let Contractor know when/if to assess additional penalty?**

**15. Invoice**

- a. CONTRACTOR must adhere to deposit schedule and transmission dates set by the USTC
- b. Transmission of files (including the payment file) must be completed on the day scheduled or the USTC must be otherwise notified with the expected date
- c. An invoice detailing specific case and debt information based on payments collected by both CONTRACTOR and the USTC must be sent the USTC twice a month and arrive on or prior to the settlement date of the deposit
- d. The invoice shall detail the payments received by CONTRACTOR
- e. Invoice Requirements (each listed as a separate column):
  1. Date of Collection
  2. Debtor's Name
  3. Account Number
  4. Tax Type
  5. Filing Period
  6. Dollars Collected by Vendor
  7. Dollars Collected and reported by USTC

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8. ICN # (provided on the USTC PTC Report)
9. Cost of Collection (commission)
10. Balance owing on debt
11. Summary totals of collections, fees by tax type

**16. Paid to Client (PTC) Report**

- a. Payments must be applied to the period indicated on the Paid to Client Report
- b. When payments are entered into CONTRACTOR system, use the "transaction date" as the date payment received and the period indicated on the report
- c. The Cross Reference ICN # and ICN # should both be documented when a payment is entered into CONTRACTOR system; however, if both is not possible then the ICN # must be entered;
- d. If the incorrect dates are used to update payments or the ICN # is not documented, CONTRACTOR will be responsible to correct and update the information
- e. Payments are only credited up to 30 days from the return date
- f. Payments over the 30 day must be forwarded to the USTC for credit to the case
- g. Credit may be taken for payments made to the USTC as long as the case has not yet been returned from CONTRACTOR (i.e., cash, check, money order, certified funds, etc.)
- h. CONTRACTOR will not receive credit for adjustments, refund applied, garnishment fees collected, etc.
- i. Cases that have been physically returned in a notes.txt file are officially over the 30-day requirement and payments will not be credited to CONTRACTOR
- j. The PTC Report may report payments over the 30-day while the case is being returned from CONTRACTOR. It is the responsibility of CONTRACTOR to ensure that a payment over 30-days is not credited based on this report

**17. Performance Reports**

- a. Performance reports must be sent monthly detailing dollars placed, dollars collected, inventory by date progress, cases cleared, cases returned at client request

**18. Inventory File / Reconciliation**

- a. Every 75 days an inventory balancing process will take place. On the 60<sup>th</sup> day of the cycle an inventory file must be sent to USTC that includes all cases closed and returned to USTC 75 day old or older. The remaining 15 days of the cycle will be used to verify and balance inventories for overall balancing purposes, and as a requirement prior to a record deletion
- b. The inventory file must be transmitted under the filename: **INVMMDDYYYY.txt**
- c. In addition to the inventory file, any other holding states that CONTRACTOR may be using to house cases should also be documented and sent to the USTC at the same time of the inventory file under the filenames:
  - **75DAYHLDMMDDYYYY.txt**
  - **30DAYHLDMMDDYYYY.txt**
- d. An inventory file may be requested at any time for audit purposes by the USTC

**19. Record Deletion**

- a. Cases must be purged from CONTRACTOR system no sooner than 75 days after the case has been physically returned to the USTC and only those that have been reconciled (see item 15)
- b. USTC must be provided with a list of cases meeting the purge requirement prior to the deletion taking place

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An inventory file will be required prior to any purge of cases (see item 16)



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**OFFICE OF STATE DEBT COLLECTION**  
**SERVICE LEVEL AGREEMENT**

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This Service Level Agreement (SLA) is a binding agreement between the Agency (hereafter Office of State Debt Collection (OSDC)) and the Contractor. This agreement is an addition to the RFP 3093. The SLA defines procedures, processes and expectations relative to system interfaces, payment processes, receivable referrals and acknowledgements, reporting and performance requirements that are not covered in the RFP or basic contract terms and conditions.

**OSDC RESPONSIBILITY**

- A. **Receive placement files from State agencies.**
  - 1. Format files to fit the file format transmitted to the Contractor.
  - 2. Calculate the penalty, and cost of collection and add that to the original placement amount
  - 3. Allocate receivable placements among Contractors based on performance or agreed upon percentages.
  - 4. FTP file to Contractor or place file in a directory to be retrieved by the Contractor.
- B. **Accrue interest and the related collection costs** on each account. The interest and related costs of collection will accrue daily, be included in the daily payment file and be posted to the account quarterly or when a payment is posted.
- C. **Receive, deposit, and apply payments** to the appropriate coding blocks. Contractor will instruct debtors to make payments directly to OSDC. Payments will be deposited and transmitted to the Contractor daily as outlined below.
- D. **Adjust accounts** for dishonored checks, payment reversals, account balance increases and decreases and send those adjustments in the payment file daily.
- E. **Credit Card Payments** may be accepted by OSDC on behalf of the Contractor. The credit card fees related to the payment transaction will be netted against the Contractor's commission. If a debtor desires to use a credit card to pay their debt, the Contractor may refer the Debtor to the OSDC and OSDC will process payment on behalf of the Contractor for the debtor.
- F. **Legal Service** – OSDC employs a part-time attorney from the Attorney General's Office. Contractor's are encouraged to use this service in collecting their accounts, A fee to cover the actual cost, may be charged.

**CONTRACTOR RESPONSIBILITY**

- A. **Information Update** - New or changed receivable information discovered by the Contractor shall be communicated to OSDC in an electronic file monthly on the 28th day of the month.
  - 1. The file will contain the following fields

<u>Field Name</u>	<u>Character</u>
a. First name, middle initial	(20)
b. Last name	(20)
c. Address 1	(20)
e. Address 2	(20)
f. City	(20)
g. State	(2)
h. Zip Code	(10)
i. Social Security #	(11)
j. Note field	(50)
  - 2. The file name will be addressmmddyy
- B. **Performance Review Meetings** – Performance Review Meetings will be at the request of OSDC. The meetings may be conducted by phone, "E-Mail" or on-site at OSDC or the Contractor's location. If travel is required, all expenses will be the sole responsibility of the Contractor.

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- C. **Debtor Payments** - The Contractor will instruct debtors to send payments directly to OSDC.
- D. **Debtor Payment Agreements** - The Contractor may enter into installment agreements with debtors as follows:
1. Contractor must obtain updated financial information from debtor prior to entering into a payment arrangement. Information must include present employer, employer address and telephone #.
  2. Six-month installment agreements may be verbal with agreement noted in the Contractors file.
  3. Installment agreements that are twelve or more months should be documented, contain the language under 2.1 (P)(2), signed by the debtor, and the agreement retained and filed by the Contractor.
  4. The Contractor will follow-up within one week, by phone contact, on broken payment arrangements.
  5. Payment arrangements greater than 36 months must be authorized by OSDC.
- E. **System And System Interfaces** - The Contractor will develop the required interfaces to facilitate the electronic:
1. **Placement of receivables**
    - a. Receivables will be placed every Monday providing performance measures are being met.
    - b. In the beginning, receivables will be allocated equally to all Contractors.
    - c. When performance reviews identify one Contractor to be outperforming the other Contractor, the more successful contractor will be allocated a larger percent of the placement.
    - d. Placement performance reviews will be done quarterly and the review will be the trigger for changing receivable placement allocations.
    - e. Refer to Appendix A to see the types of accounts that may be placed for collection. In addition to that list, dishonored checks will be placed.
    - f. One file format will be used to place all state agency receivables regardless of type.
    - g. Placements will consist of initial placements and second placements. Second Placements refer to cases previously placed with another Contractor.
    - h. The placement file will be FTP to a specific directory specified by the Contractor or the Contractor may retrieve the placement files from a specified directory within the OSDC. Once the placement file is received or retrieved, the placement file will process through the Contractor's system in an electronic format to place cases.
  2. **Acknowledgement Reporting**
    - a. The acknowledgement of the placement file must be electronically transmitted to OSDC the same day the receivables are placed. The file must contain the account number in the placement file and the account number assigned by the Contractor to track the receivable in the Contractor's system.
    - b. All receivables placed must be accounted for and discrepancies with OSDC resolved by the Contractor within 2 days of placement.
    - c. If the contractor is not able to place an account, the disposition of the receivable must be noted on the acknowledgement report. The report might be formatted with the following column headings: Receivable Placements Received, Receivables Placed, Receivables Not Placed, Receivables Returned to OSDC, Disposition of Not Placed and Not Returned, Receivables. The total of the receivables placed, returned to OSDC, and not placed should equal the receivable placements received.
    - d. Unplaced receivables that are subsequently placed on different days should be identified with the original placement file name. Receivables should be tracked and acknowledged by the original placement date and file name for ease of reconciliation. For example, if

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receivables from a prior placement file are placed at the same time as receivables from a current placement, the acknowledgement file should list those from the prior period and those from the current placement in separate areas of the acknowledgment report.

**3. Payment Files Transfers**

Payment files will be in electronic format, transmitted nightly, and include the following transactions:

- a. **Payments received from debtors** - Payment transactions will be identified as "Pmt". The payment file will identify:
  - i. The source of the payment as follows: debtor payments "D", administrative offset/Finders "F", client pay "C".
  - ii. Whether the payment is guaranteed or non-guaranteed. (guaranteed payments are posted to the accounts and distributed immediately. Non-guaranteed payments are posted to the accounts but money is not distributed for 30 days to ensure the payment clears the bank). Commissions on non-guaranteed payments will not be paid until after the 30 day period has expired.
  - iii. If the payment earns a commission or is non-commission. The amount of the commission (0, or \$xx.xx will be included in the file).
  - iv. The Contractors file number and/or debtors account number, name of the debtor, the payment amount, distribution of the payment by principal, interest, penalty, and cost of collection and the remaining balance.
- b. **Recalled accounts** – Receivables recalled by the State agency will be identified as "C&R" on the payment file. Receivables closed by OSDC because the time for outsource has expired will be identified with CRO. Accounts may be recalled by the State agency for reasons stated in the RFP, Chapter 2, and Section 2.3, 10 and because the placement period has expired. The balances on these receivables will be adjusted to zero.
- c. **Adjustments** - Adjustments increasing or decreasing the amount owed on a receivable will be identified as "Adj" on the payment file. Adjustments result from payment reversals caused by dishonored checks or posting errors, and request by the state agency to increase or decrease the account based on new information.
- d. **Posting Payment file to Contractor's system** – The Contractor will update their system with the data from the Payment File each morning to ensure correct balances are quoted to debtors by Contractor account representatives. If the Contractor does not receive a payment file, and it is not a State holiday, **Contractor will notify OSDC immediately to re-transmit the file.**
- e. **Account Payoff Calculator** – The payment file will contain a payoff calculator that will assist Contractor account representatives in quoting correct payoffs. The calculator will provide the daily costs for costs of collection. The Contractors system will need to calculate the number of days to payoff, times the number of days to payoff by the daily costs of collection and add that number to the outstanding balance. The Contractor will be responsible for payoff interest shortfalls of \$5.00 or more unless the error results from payoff calculator provided by OSDC.
- f. **Inventory reconciliation** – On the 30<sup>th</sup> of each quarter, the Contractor will send an Inventory file to OSDC of all open accounts and their balance, all accounts closed and returned during the quarter and other information that may be identified during contract negotiations. The Contractor will work with OSDC to resolve any differences by the 10<sup>th</sup> day of the following month.
- g. **Cases Housed in Other Status** In addition to the inventory file, any other holding status used by the Contractor to house cases should be documented and sent to the OSDC at the same time the inventory file is sent.

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- h. **Contractor Note Files** Contractor collection note files will be sent to OSDC the first day of each week for all accounts closed by OSDC in the payment file during the prior week. Closures include recalls, expired time (12/6 months from placement date if not paying per payment arrangement) and PIFs.
  - i. **Performance Reports** – Performance reports must be generated monthly detailing dollars placed, dollars collected, inventory by date progress, cases cleared, cases returned at client request, cases returned by Contractor, % of placements collected (cases closed and returned at the request of OSDC and those closed by the Contractor because collection efforts are exhausted must be removed from the placements to calculate an accurate percentage of accounts collected). Send OSDC a copy of all state agencies performance reports such as the State Tax Commission of Office of Recovery Service.
- 4. **Dishonored Checks** – Checks received from debtors for payment of their debt that are subsequently dishonored may be charged the standard return check fee allowed by the State of Utah, but additional fees may not be charged. The NSF fee will be added to the account balance and the NSF Service charge fee will be split between the Contractor and the OSDC. The OSDC portion will be used to offset bank charges.
- 5. **Credit Card Payments** – The Contractor may accept credit card payments from the debtor by referring the debtor to OSDC where the credit card transaction will be processed. The Contractor will be paid their commission but the credit card costs will be netted against the commission.
- 6. **Contractor Invoice**
  - a. Contractor will invoice OSDC for commissions earned on accounts in the prior month by no later than the 5<sup>th</sup> of the following month.
  - b. OSDC will reconcile the invoice to OSDC records, make any adjustments, notify the Contractor of the Adjustments, and submit the invoice for payment by the 10<sup>th</sup> of the month.
  - c. The invoice shall detail the payments collected by the Contractor and reporting the data in separate columns for each of the following items
    - i. Date of Collection
    - ii. Debtor's Name
    - iii. Account Number
    - iv. Dollars Collected by Vendor
    - v. Commission
    - vi. Balance owing on debt
    - vii. Summary totals of collections
- 7. **Limitation on Use of Data** - To maintain compliance with disclosure, OSDC data cannot be merged with and/or used to benefit the collection efforts of other contracted clients, including other clients from the State of Utah.
- 8. **Fair Debt Collection Practices Act**
  - a. Third-Party Collection Agencies collecting on government debts are not held to the Fair Debt Collection Practices Act, however, the OSDC expects the same behavior to be followed in order to ensure Utah debtors are treated fairly and respectfully in accordance with the act and in alignment with OSDC Vision
  - b. The CONTRACTOR shall supply the OSDC with a copy of any internal policies that directly affect efforts on debt assigned to the Contractor.

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9. **Bankruptcy** - Cases for which the taxpayer has filed bankruptcy will be pulled from the Contractor to facilitate proper coding and claim filing unless the Contractor is authorized to do this service by OSDC. Contractor will forward the bankruptcy notice to OSDC.
10. **Return Date Age Criteria**
- a. If work standards have been met without case resolution, the case should be returned to OSDC regardless of age as unable to collect or all efforts exhausted. These cases should be returned on the 28th day of each month in an electronic file. Collection notes related to these accounts should be returned in a separate file.
  - b. Cases with no contact or agreements in place that have aged one-year since initial placement or six-month since second placement will be closed by OSDC and will be included in the payment file under Transaction ID CRO unless a different time period is authorized. The account balance will be adjusted to zero. The related collection notes for these accounts should be submitted in an electronic file to OSDC the last day of the week in which the closure occurred.
11. **Settlements** – Settlement of a State debt for less than full payment when it is determined that no other means is available to the State to collect the full amount is possible. The debtor has the burden of proof to establish the grounds for the settlement, and must provide sufficient documentation to prove the case. The debtor does not have a legal right to have the State debt settled for less than the full amount.
- a. CONTRACTOR is not allowed to accept a settlement without review and approval by OSDC or the appropriate State agency.
  - b. The debtor must provide all information to substantiate the settlement request to the Contractor prior to the OSDC reviewing the offer
12. **Garnishments** – Garnishments may be done by the Contractor if authorization has been obtained from OSDC to do so. The following steps must be completed:
- a. Employer / Bank information must have been verified within the past 30 days
  - b. Requests for garnishments may not be made until the minimum requirements have been met: Three phone calls (attempted verbal contacts), Three Letters
  - c. A lien must be filed on the case in order to proceed with a garnishment
  - d. If the Contractor authorized to recommend or take garnishment action and fails to do so, OSDC will recall the case and proceed with the garnishment action. No fees will be paid to the Contractor in this situation.
15. **Reactivating cases** – Reactivating receivables is not allowed, not even to post a payment that has come in since the case went inactive unless authorized by “E-Mail” by OSDC
16. **Agency Address:**  
Office of State Debt Collection  
Attn: Manager or Supervisor  
Room 5110 State Office Building  
Salt lake City, Utah 84114

This is a draft sample of the SLA with OSDC. It is subject to modification during contract negotiations.